Comparative Summary of Budget Recommendations

Governor and Joint Committee on Finance

2015-17 Wisconsin State Budget

Legislative Fiscal Bureau
July, 2015

2015-17 WISCONSIN STATE BUDGET

Comparative Summary of Budget Recommendations

Governor and Joint Committee on Finance

Legislative Fiscal Bureau

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INTRODUCTION

This document provides a summary of the 2015-17 state budget recommendations of the Governor and Joint Committee on Finance.

The introductory portion of this document contains a Table of Contents, Index to Selected Provisions, Key to Abbreviations, and User's Guide.

The "2015-17 Overview" section provides a series of tables that display 2015-17 revenues, appropriations, and position levels.

Following the summary information is a section which contains a description, for each state agency and program, of budget changes recommended by the Governor and Joint Committee on Finance. The agency summaries appear in alphabetical order and contain a funding and position table as well as a brief narrative description and corresponding fiscal effect, if any, of each budget provision.

The final section of the document contains a list of the 2015-17 budget papers prepared by the Legislative Fiscal Bureau.

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KEY TO ABBREVIATIONS

REVENUES

BR	Bond revenues which are available from the contracting of public debt (general obligation bonds), from debt which is to be repaid only from pledged or project revenues (revenue bonds), or from debt where repayment is backed by the state's moral obligation pledge and subject to annual appropriation by the Legislature (appropriation obligation bonds).
GPR-Earned	Departmental revenues which are collected by individual state agencies and deposited in the general fund.
GPR-Tax	Revenues which are collected from general fund taxes.
GPR-Tribal	Revenues which are collected from tribal gaming revenues and deposited in the general fund.
REV	Revenue

APPROPRIATIONS

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

SEG-S	Segregated Revenue-Service. Segregated appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
Lapse	Budgeted amounts that are unspent at the end of a fiscal period which revert back to the fund from which they were appropriated.

OTHER

2013 Wisconsin Act 20	The 2013-15 biennial budget act.
AB 21/SB 21	Assembly Bill 21/Senate Bill 21, the Governor's 2015-17 budget recommendations.
ASA 1 to AB 21	Assembly Substitute Amendment 1 to Assembly Bill 21, the 2015-17 budget recommendations of the Joint Committee on Finance.
SSA 1 to SB 21	Senate Substitute Amendment 1 to Senate Bill 21, the 2015-17 budget recommendations of the Joint Committee on Finance.
CY	Calendar year.
FY	Fiscal year.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to 1,044 hours per appointment in a 12-month period.
2014-15 Adjusted Base	The total 2014-15 authorized funding level for an agency or program. The adjusted base equals 2014-13 appropriations, pay plan modifications, and by other supplemen5ts. It is this base that serves as the beginning point for calculating budget changes for 2015-17.
2014-15 Base Year Doubled	The 2014-15 base multiplied by two. This produces the biennial base level against which 2015-17 budget levels may be compared.

USER'S GUIDE

The following explanation of entries is keyed to the accompanying sample entry (page 7).

1 Name of agency.

2 The funding source for the amounts shown in columns 3 through 6. Only the funding sources which are included in the agency's budget are shown.

3 The 2014-15 base represents authorized appropriation and position levels for 2014-15. The base is doubled in the budget column to provide a two-year to two-year comparison.

4 The Governor's recommended budget and position levels for 2015-17.

5 The Joint Finance Committee's recommended budget and position levels for 2015-17.

6 These columns indicate the change, by amount and percentage, of the Joint Finance Committee's 2015-17 recommended budget to the 2014-15 base year doubled and to the Governor's recommendations. For positions, the comparison is made between the recommended authorization for 2016-17 and that of 2014-15.

7 This uniform entry, "Standard Budget Adjustments," includes such things as full funding of continuing positions, turnover reductions, and removal of one-time funding items. The box highlights the funding and position change to the agency's base as a result of the item. For every item which has a fiscal and/or position change, a box with that information will be presented. "REV" in the box indicates that the item will generate revenue for the fund which is identified.

8 Narrative description of the various budget change items, for each entry as recommended by the Governor and Joint Committee on Finance. If the entry shows "Governor/Joint Finance" the recommendations proposed by the Governor were adopted by the Joint Committee on Finance. The fiscal effect (which is located in the box), highlights the funding and position change to the agency's base budget. For those items where the recommendations of the Governor and Finance Committee differ, the change to the Governor's fiscal effect is also shown. Immediately following the title, there will be, if applicable, "[LFB Paper]" showing the number of the Legislative Fiscal Bureau budget issue paper prepared on this item. In this example, [LFB Paper 580] pertains to grant requirements.

SECRETARY OF STATE (1)

Budget Summary

(2) Fund	(3) 2014-15 Base Year Doubled	(4) 2015-17 Governor	(5) 2015-17 Jt. Finance	(6) Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$1,027,000	$536,800	$536,800	$0	0.0%	- $490,200	- 47.7%

FTE Position Summary

(2) Fund	(3) 2014-15 Base	(4) 2016-17 Governor	(5) 2016-17 Jt. Finance	(6) Joint Finance Change to: Governor	2014-15 Base
PR	4.00	2.00	2.00	0.00	- 2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$51,700

(7) **Governor/Joint Finance:** Provide adjustments of $25,000 in 2015-16 and $26,700 in 2016-17 to the Secretary of State's (SOS) program fees appropriation for full funding of continuing position salaries and fringe benefits ($25,700 annually) and full funding of lease and directed moves costs (-$700 in 2015-16 and $1,000 in 2016-17).

2. DELETE POSITIONS [LFB Paper 580]

	Funding	Positions
PR	- $286,200	- 2.00

(8) **Governor/Joint Finance:** Reduce funding by $143,100 and delete 2.0 positions, annually. Make statutory changes eliminating the SOS's ability to name, and set the salary of, the Assistant Secretary of State. According to the administration, the two positions that would be deleted are the Assistant Secretary of State and an Office Operations Associate.

Under current law, the SOS may appoint an assistant, who may perform and execute any of the Secretary's duties, except as a member of the Board of Commissioners of Public Lands. The Assistant must take and subscribe the Oath of Office, as prescribed under the state constitution, and must give bond to the SOS in the sum and with the conditions prescribed by the Secretary, conditioned for the faithful discharge of the duties. The Oath must be filed and preserved in the Office of the Governor. Under the bill, these provisions would be repealed.

OVERVIEW

TABLE 1

Summary of 2015-17 Appropriations, Compensation Reserves, and Authorizations

Fund Source	2015-16	2016-17	Total	% of Total
General Purpose Revenue	**$15,916,296,500**	**$17,047,808,600**	**$32,964,105,100**	**45.0%**
Appropriations	15,905,604,000	17,029,191,800	32,934,795,800	
Compensation Reserves	10,692,500	18,616,800	29,309,300	
Federal Revenue	**10,606,132,300**	**10,674,090,000**	**21,280,222,300**	**29.0**
Appropriations	10,603,138,400	10,668,877,300	21,272,015,700	
Compensation Reserves	2,993,900	5,212,700	8,206,600	
Program Revenue	**5,450,624,200**	**5,463,832,200**	**10,914,456,400**	**14.9**
Appropriations	5,445,919,500	5,455,640,800	10,901,560,300	
Compensation Reserves	4,704,700	8,191,400	12,896,100	
Segregated Revenue	**3,788,244,100**	**3,722,137,700**	**7,510,381,800**	**10.2**
Appropriations	3,785,250,200	3,716,925,000	7,502,175,200	
Compensation Reserves	2,993,900	5,212,700	8,206,600	
Subtotal	**$35,761,297,100**	**$36,907,868,500**	**$72,669,165,600**	**99.1**
Appropriations	35,739,912,100	36,870,634,900	72,610,547,000	
Compensation Reserves	21,385,000	37,233,600	58,618,600	
Bond Revenue			**$652,157,500**	**0.9**
General Obligation Bonding			670,943,900*	
Revenue Bonding			-18,786,400	
TOTAL			**$73,321,323,100**	**100.0%**

*Excludes $1,500,000,000 of economic refunding authority.

TABLE 2

Summary of Total All Funds Appropriations by Agency

	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Administration	$1,870,390,800	$2,499,741,100	$2,285,090,500	- $214,650,600	- 8.6%	$414,699,700	22.2%
Agriculture, Trade and Consumer Prot.	194,148,200	237,648,900	191,580,100	- 46,068,800	- 19.4	- 2,568,100	- 1.3
Board for People with Develop. Disab.	2,826,800	2,800,100	2,800,100	0	0.0	- 26,700	- 0.9
Board of Commissioners of Public Lands	3,131,400	3,303,700	3,267,800	- 35,900	- 1.1	136,400	4.4
Board on Aging and Long-Term Care	5,716,000	6,108,800	6,071,600	- 37,200	- 0.6	355,600	6.2
Building Commission	100,533,400	114,586,600	115,662,300	1,075,700	0.9	15,128,900	15.0
Child Abuse and Neglect Prevention Bd.	6,022,000	6,082,400	6,082,400	0	0.0	60,400	1.0
Children and Families	2,308,982,600	2,494,019,700	2,496,486,500	2,466,800	0.1	187,503,900	8.1
Circuit Courts	191,672,400	195,406,000	195,406,000	0	0.0	3,733,600	1.9
Compensation Reserves	---	58,618,600	58,618,600	0	0.0	58,618,600	N.A.
Corrections	2,592,802,400	2,453,355,400	2,449,595,800	- 3,759,600	- 0.2	- 143,206,600	- 5.5
Court of Appeals	20,814,400	21,384,200	21,384,200	0	0.0	569,800	2.7
District Attorneys	99,629,600	95,317,800	95,825,500	507,700	0.5	- 3,804,100	- 3.8
Educational Communications Board	39,839,400	39,480,500	38,666,600	- 813,900	- 2.1	- 1,172,800	- 2.9
Employee Trust Funds	85,708,400	89,894,200	89,754,700	- 139,500	- 0.2	4,046,300	4.7
Employment Relations Commission	3,009,800	3,071,700	3,071,700	0	0.0	61,900	2.1
Environmental Improvement Fund	93,649,000	57,657,600	57,657,600	0	0.0	- 35,991,400	- 38.4
Financial Institutions	36,762,800	9,313,800	37,165,700	27,851,900	299.0	402,900	1.1
Financial Institutions & Professional Standards	0	98,456,900	0	- 98,456,900	- 100.0	0	N.A.
Forward Wisconsin Development Authority	0	103,150,700	0	- 103,150,700	- 100.0	0	N.A.
Fox River Navigational System Authority	250,800	250,800	250,800	0	0.0	0	0.0
Government Accountability Board	13,279,800	13,282,000	13,282,000	0	0.0	2,200	0.0
Governor	7,577,600	7,953,000	7,953,000	0	0.0	375,400	5.0
Health Services	20,861,710,000	22,690,360,600	22,904,831,900	214,471,300	0.9	2,043,121,900	9.8
Higher Educational Aids Board	290,054,600	292,516,600	289,436,600	- 3,080,000	- 1.1	- 618,000	- 0.2
Historical Society	44,296,800	46,138,400	46,243,200	104,800	0.2	1,946,400	4.4
Insurance	217,802,400	262,140,700	220,747,300	- 41,393,400	- 15.8	2,944,900	1.4
Investment Board	93,707,200	93,707,200	93,707,200	0	0.0	0	0.0
Judicial Commission	585,400	0	603,200	603,200	N.A.	17,800	3.0
Judicial Council	140,800	0	222,500	222,500	N.A.	81,700	58.0
Justice	248,271,000	251,865,700	253,359,800	1,494,100	0.6	5,088,800	2.0
Kickapoo Reserve Management Board	0	0	1,837,400	1,837,400	N.A.	1,837,400	N.A.
Labor and Industry Review Commission	0	0	6,354,200	6,354,200	N.A.	6,354,200	N.A.
Legislature	153,467,800	151,411,500	151,398,500	- 13,000	0.0	- 2,069,300	- 1.3
Lieutenant Governor	644,200	574,200	574,200	0	0.0	- 70,000	- 10.9
Lower-WI State Riverway Board	422,200	454,600	454,600	0	0.0	32,400	7.7
Medical College of Wisconsin	19,932,400	20,399,700	20,399,700	0	0.0	467,300	2.3
Military Affairs	209,332,800	212,430,700	212,116,700	- 314,000	- 0.1	2,783,900	1.3
Miscellaneous Appropriations	276,575,400	276,420,500	250,059,400	- 26,361,100	- 9.5	- 26,516,000	- 9.6
Natural Resources	1,149,709,200	1,104,669,600	1,117,435,800	12,766,200	1.2	- 32,273,400	- 2.8
Office of State Employment Relations	12,215,600	0	0	0	N.A.	- 12,215,600	- 100.0
Program Supplements	15,758,800	9,682,000	67,984,000	58,302,000	602.2	52,225,200	331.4
Public Defender	168,401,000	172,941,700	172,893,000	- 48,700	0.0	4,492,000	2.7
Public Instruction	12,805,517,000	13,064,465,000	13,312,296,600	247,831,600	1.9	506,779,600	4.0
Public Service Commission	49,336,200	60,751,400	54,424,400	- 6,327,000	- 10.4	5,088,200	10.3

TABLE 2 (continued)

Summary of Total All Funds Appropriations by Agency

	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Revenue	$373,977,000	$419,007,700	$418,882,900	- $124,800	0.0%	$44,905,900	12.0%
Safety and Professional Services	103,797,600	24,544,800	102,535,200	77,990,400	317.7	- 1,262,400	- 1.2
Secretary of State	1,027,000	536,800	536,800	0	0.0	- 490,200	- 47.7
Shared Revenue and Tax Relief	4,812,226,800	5,047,865,700	4,938,230,700	- 109,635,000	- 2.2	126,003,900	2.6
State Fair Park Board	45,159,400	48,331,700	48,331,700	0	0.0	3,172,300	7.0
State Treasurer	1,099,400	346,600	346,600	0	0.0	- 752,800	- 68.5
Supreme Court	63,057,400	59,578,600	58,975,400	- 603,200	- 1.0	- 4,082,000	- 6.5
Tourism	35,749,800	34,312,700	35,004,800	692,100	2.0	- 745,000	- 2.1
Transportation	6,033,103,800	6,370,580,300	5,673,335,500	- 697,244,800	- 10.9	- 359,768,300	- 6.0
University of Wisconsin System	12,030,183,000	6,920,041,700	11,854,007,900	4,933,966,200	71.3	- 176,175,100	- 1.5
Veterans Affairs	275,526,800	286,164,300	283,490,300	- 2,674,000	- 0.9	7,963,500	2.9
WI Economic Development Corp.	111,101,400	47,650,700	65,001,400	17,350,700	36.4	- 46,100,000	- 41.5
Wisconsin Technical College System	1,114,529,400	1,113,507,500	1,115,257,100	1,749,600	0.2	727,700	0.1
Workforce Development	741,216,400	668,657,600	722,175,600	53,518,000	8.0	- 19,040,800	- 2.6
TOTAL	$70,036,383,600	$68,362,941,300	$72,669,165,600	$4,306,224,300	6.3%	$2,632,782,000	3.8%

Note: Under the Governor's recommendation, the UW System would have become an Authority and its FED, PR, and SEG funding, estimated at $4,7861,028,300, would not appear as state appropriations. Without this change the appropriations under the Governor would be $73,123,969,600, an increase of $3,087,586,000 (4.4%) over the base year doubled. The Joint Finance change to the Governor would be -$454,804,000 (-0.6%).

TABLE 3

Summary of All Funds Full-Time Equivalent Positions by Agency

Agency	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2014-15 Base
Administration	1,004.03	1,094.08	1,022.38	- 71.70	18.35
Agriculture, Trade and Consumer Prot.	623.89	1,049.04	644.79	- 404.25	20.90
Bd. for People with Developmental Disab.	6.75	6.75	6.75	0.00	0.00
Board of Commissioners of Public Lands	9.50	7.50	9.50	2.00	0.00
Board on Aging and Long-Term Care	37.00	40.00	40.50	0.50	3.50
Child Abuse and Neglect Prevention Board	6.00	6.00	6.00	0.00	0.00
Children and Families	803.11	792.01	797.01	5.00	- 6.10
Circuit Courts	527.00	527.00	527.00	0.00	0.00
Corrections	10,211.02	10,101.32	10,101.32	0.00	- 109.70
Court of Appeals	75.50	75.50	75.50	0.00	0.00
District Attorneys	434.95	424.95	426.15	1.20	- 8.80
Educational Communications Board	56.68	48.18	55.18	7.00	- 1.50
Employee Trust Funds	266.20	267.20	267.20	0.00	1.00
Employment Relations Commission	9.01	9.01	9.01	0.00	0.00
Financial Institutions	141.54	0.00	139.54	139.54	- 2.00
Financial Institutions &Professional Standards	0.00	326.10	0.00	- 326.10	0.00
Government Accountability Board	48.75	37.75	39.75	2.00	- 9.00
Governor	37.25	37.25	37.25	0.00	0.00
Health Services	6,195.05	6,121.05	6,104.55	- 16.50	- 90.50
Higher Educational Aids Board	11.00	7.00	10.00	3.00	-1.00
Historical Society	129.04	111.04	129.04	18.00	0.00
Insurance	153.30	219.50	151.50	- 68.00	- 1.80
Investment Board	166.35	166.35	166.35	0.00	0.00
Judicial Commission	2.00	0.00	2.00	2.00	0.00
Judicial Council	1.00	0.00	1.00	1.00	0.00
Justice	675.74	674.74	674.74	0.00	- 1.00
Kickapoo Reserve Management Board	0.00	0.00	4.00	4.00	4.00
Labor and Industry Review Commission	0.00	0.00	26.50	26.50	26.50
Legislature	777.97	777.97	777.97	0.00	0.00
Lieutenant Governor	4.00	4.00	4.00	0.00	0.00
Lower-WI State Riverway Board	2.00	2.00	2.00	0.00	0.00
Military Affairs	456.77	452.10	456.10	4.00	- 0.67
Natural Resources	2,642.04	2,574.95	2,549.10	- 25.85	- 92.94
Office of State Employment Relations	49.95	0.00	0.00	0.00	- 49.95
Public Defender	579.85	625.60	614.85	- 10.75	35.00
Public Instruction	647.26	634.05	634.05	0.00	- 13.21
Public Service Commission	146.00	136.25	149.00	12.75	3.00
Revenue	1,096.28	1,197.28	1,202.28	5.00	106.00
Safety and Professional Services	262.60	0.00	247.14	247.14	- 15.46
Secretary of State	4.00	2.00	2.00	0.00	- 2.00

TABLE 3 (continued)

Summary of All Funds Full-Time Equivalent Positions by Agency

Agency	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2014-15 Base
State Fair Park Board	48.00	46.00	48.00	2.00	0.00
State Treasurer	4.00	1.00	1.00	0.00	- 3.00
Supreme Court	220.75	222.75	221.75	- 1.00	1.00
Tourism	35.00	34.00	35.00	1.00	0.00
Transportation	3,512.04	3,493.54	3,494.54	1.00	- 17.50
University of Wisconsin System	35,099.71	0.00	35,059.51	35,059.51	- 40.20
Veterans Affairs	1,292.70	1,286.20	1,286.20	0.00	- 6.50
Wisconsin Technical College System	64.50	46.00	61.50	15.50	- 3.00
Workforce Development	1,779.76	1,576.05	1,618.55	42.50	- 161.21
Total	70,356.84	35,261.06	69,939.05	34,677.99	- 417.79

Full-Time Equivalent Positions Summary by Funding Source

	2014-15 Base	2016-17 Governor	2016-17 Jt Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2014-15 Base
GPR	35,961.83	17,521.30	35,847.80	18,326.50	- 114.03
FED	10,778.24	4,996.77	10,576.95	5,580.18	- 201.29
PR	18,378.56	7,734.36	18,390.65	10,656.29	12.09
SEG	5,238.21	5,008.63	5,123.65	115.02	- 114.56
TOTAL	70,356.84	35,261.06	69,939.05	34,677.99	- 417.79

Note: Under the Governor's recommendation, the UW System would have become an Authority and all of the UW System's 34,648.44 positions would no longer have been counted as state positions beginning July 1, 2016. Without this change, total FTE positions under the Governor would be 69,909.50, and the Joint Finance change to the Governor would be 29.55 positions.

TABLE 4

Summary of General Fund Appropriations by Agency

	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Administration	$829,408,600	$1,230,592,200	$1,205,534,300	- $25,057,900	-2.0%	$376,125,700	45.3%
Agriculture, Trade and Consumer Prot.	53,909,800	63,665,700	53,574,000	- 10,091,700	- 15.9	- 335,800	- 0.6
Board for People with Develop. Disabilities	118,200	94,900	94,900	0	0.0	- 23,300	- 19.7
Board on Aging and Long-Term Care	2,265,600	2,608,700	2,580,100	- 28,600	- 1.1	314,500	13.9
Building Commission	88,886,400	110,625,300	111,701,000	1,075,700	1.0	22,814,600	25.7
Child Abuse and Neglect Prevention Board	1,995,800	1,990,000	1,990,000	0	0.0	- 5,800	- 0.3
Children and Families	716,221,000	857,058,200	864,322,100	7,263,900	0.8	148,101,100	20.7
Circuit Courts	191,207,000	194,940,600	194,940,600	0	0.0	3,733,600	2.0
Compensation Reserves	---	29,309,300	29,309,300	0	0.0	29,309,300	N.A.
Corrections	2,361,442,400	2,214,947,600	2,215,595,600	648,000	0.0	- 145,846,800	- 6.2
Court of Appeals	20,814,400	21,384,200	21,384,200	0	0.0	569,800	2.7
District Attorneys	92,592,200	88,252,300	88,760,000	507,700	0.6	- 3,832,200	- 4.1
Educational Communications Board	15,941,400	10,445,800	12,926,500	2,480,700	23.7	- 3,014,900	- 18.9
Employee Trust Funds	433,200	378,600	378,600	0	0.0	- 54,600	- 12.6
Employment Relations Commission	2,803,200	2,765,100	2,765,100	0	0.0	- 38,100	- 1.4
Environmental Improvement Fund	77,649,000	41,657,600	41,657,600	0	0.0	- 35,991,400	- 46.4
Forward Wisconsin Development Authority	0	80,374,700	0	- 80,374,700	- 100.0	0	N.A.
Government Accountability Board	5,672,400	5,829,700	5,829,700	0	0.0	157,300	2.8
Governor	7,577,600	7,953,000	7,953,000	0	0.0	375,400	5.0
Health Services	6,731,858,200	7,394,596,200	7,390,121,900	- 4,474,300	- 0.1	658,263,700	9.8
Higher Educational Aids Board	284,449,600	286,911,600	283,021,600	- 3,890,000	- 1.4	- 1,428,000	- 0.5
Historical Society	28,661,000	29,884,800	29,884,800	0	0.0	1,223,800	4.3
Insurance	0	787,500	0	- 787,500	- 100.0	0	N.A.
Judicial Commission	585,400	0	603,200	603,200	N.A.	17,800	3.0
Judicial Council	140,800	0	0	0	N.A.	- 140,800	- 100.0
Justice	96,862,600	102,759,900	102,656,500	- 103,400	- 0.1	5,793,900	6.0
Labor and Industry Review Commission	0	0	531,000	531,000	N.A.	531,000	N.A.
Legislature	149,416,800	147,152,500	147,139,500	- 13,000	0.0	- 2,277,300	- 1.5
Lieutenant Governor	644,200	574,200	574,200	0	0.0	- 70,000	- 10.9
Medical College of Wisconsin	19,437,400	19,904,700	19,904,700	0	0.0	467,300	2.4
Military Affairs	52,814,800	53,738,800	52,865,800	- 873,000	- 1.6	51,000	0.1
Miscellaneous Appropriations	215,579,400	214,294,700	187,313,700	- 26,981,000	- 12.6	- 28,265,700	- 13.1
Natural Resources	273,887,200	231,664,400	226,858,100	- 4,806,300	- 2.1	- 47,029,100	- 17.2
Program Supplements	11,746,400	9,682,000	67,629,000	57,947,000	598.5	55,882,600	475.7
Public Defender	165,788,600	170,245,600	170,196,900	- 48,700	0.0	4,408,300	2.7
Public Instruction	11,065,102,000	11,109,105,200	11,354,425,000	245,319,800	2.2	289,323,000	2.6
Revenue	184,542,000	215,635,900	215,511,100	- 124,800	- 0.1	30,969,100	16.8
Safety and Professional Services	4,827,000	0	0	0	N.A.	- 4,827,000	- 100.0
Shared Revenue and Tax Relief	4,294,131,200	4,494,612,700	4,372,382,300	- 122,230,400	- 2.7	78,251,100	1.8
State Fair Park Board	6,952,400	6,649,200	6,649,200	0	0.0	- 303,200	- 4.4
Supreme Court	29,983,200	31,822,500	31,219,300	- 603,200	- 1.9	1,236,100	4.1
Tourism	10,614,600	10,528,200	11,028,200	500,000	4.7	413,600	3.9
Transportation	272,561,200	229,959,700	229,959,700	0	0.0	- 42,601,500	- 15.6
University of Wisconsin System	2,284,743,600	1,987,344,100	2,053,356,200	66,012,100	3.3	- 231,387,400	- 10.1
Veterans Affairs	4,140,600	3,699,900	3,699,900	0	0.0	- 440,700	- 10.6
WI Economic Development Corporation	65,549,400	24,874,700	19,449,400	- 5,425,300	- 21.8	- 46,100,000	- 70.3
Wisconsin Technical College System	1,038,673,000	1,038,638,900	1,038,638,900	0	0.0	- 34,100	0.0
Workforce Development	95,719,200	86,669,400	87,188,400	519,000	0.6	- 8,530,800	- 8.9
TOTAL	$31,858,350,000	$32,866,610,800	$32,964,105,100	$97,494,300	0.3%	$1,105,755,100	3.5%

TABLE 5

Summary of General Fund Full-Time Equivalent Positions by Agency

Agency	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2014-15 Base
Administration	95.84	63.29	63.92	0.63	- 31.92
Agriculture, Trade and Consumer Protection	211.00	342.36	207.60	- 134.76	- 3.40
Board on Aging and Long-Term Care	15.73	18.18	18.18	0.00	2.45
Child Abuse and Neglect Prevention Board	1.00	0.00	0.00	0.00	- 1.00
Children and Families	220.90	231.92	231.92	0.00	11.02
Circuit Courts	527.00	527.00	527.00	0.00	0.00
Corrections	9,636.87	9,564.77	9,564.77	0.00	- 72.10
Court of Appeals	75.50	75.50	75.50	0.00	0.00
District Attorneys	383.95	383.95	385.15	1.20	1.20
Educational Communications Board	35.14	12.00	26.94	14.94	- 8.20
Employment Relations Commission	9.01	9.01	9.01	0.00	0.00
Government Accountability Board	19.30	12.80	14.30	1.50	- 5.00
Governor	37.25	37.25	37.25	0.00	0.00
Health Services	2,624.91	2,545.73	2,536.63	- 9.10	- 88.28
Higher Educational Aids Board	11.00	7.00	10.00	3.00	- 1.00
Historical Society	93.65	80.32	93.65	13.33	0.00
Judicial Commission	2.00	0.00	2.00	2.00	0.00
Judicial Council	0.50	0.00	0.00	0.00	- 0.50
Justice	392.58	393.18	392.18	- 1.00	- 0.40
Labor and Industry Review Commission	0.00	0.00	1.30	1.30	1.30
Legislature	758.17	758.17	758.17	0.00	0.00
Lieutenant Governor	4.00	4.00	4.00	0.00	0.00
Military Affairs	80.63	79.33	81.08	1.75	0.45
Natural Resources	277.20	231.52	230.02	- 1.50	- 47.18
Public Defender	574.85	620.60	609.85	- 10.75	35.00
Public Instruction	253.43	250.47	250.47	0.00	- 2.96
Revenue	870.53	963.53	968.53	5.00	98.00
Safety and Professional Services	1.00	0.00	0.00	0.00	- 1.00
Supreme Court	114.50	116.50	115.50	- 1.00	1.00
Tourism	30.00	26.00	30.00	4.00	0.00
University of Wisconsin System	18,432.76	0.00	18,432.76	18,432.76	0.00
Wisconsin Technical College System	23.25	18.75	23.25	4.50	0.00
Workforce Development	148.38	148.17	146.87	- 1.30	- 1.51
Total	35,961.83	17,521.30	35,847.80	18,326.50	-114.03

Note: Under the bill, the UW System would have become an Authority and all of the UW System's 18,223.61 GPR positions would no longer have been counted as state positions beginning July 1, 2016. Without this change, total GPR FTE positions under the Governor would be 35,744.91, and the Joint Finance change to the Governor would be 102.89 positions.

TABLE 6

2015-17 General Fund Condition Statement

	2015-16	2016-17
Revenues		
Opening Balance, July 1	$254,400	$138,349,600
Taxes	15,203,845,000	15,783,310,000
Departmental Revenues		
Tribal Gaming Revenues	23,278,400	22,985,400
Other	516,055,500	513,500,400
Total Available	$15,743,433,300	$16,458,145,400
Appropriations, Transfers, and Reserves		
Gross Appropriations	$15,905,604,000	$17,029,191,800
Transfers to		
Transportation Fund	38,009,600	39,458,300
Compensation Reserves	10,692,500	18,616,800
Less Lapses	-349,222,400	-715,784,500
Net Appropriations	$15,605,083,700	$16,371,482,400
Balances		
Gross Balance	$138,349,600	$86,663,000
Less Required Statutory Balance	-65,000,000	-65,000,000
Net Balance, June 30	$73,349,600	$21,663,000

TABLE 7

Estimated 2015-17 General Fund Taxes

Tax Source	2015-16	2016-17	2015-17	% of Total
Individual Income	$7,858,620,000	$8,238,400,000	$16,097,020,000	51.9%
Sales and Use	5,050,530,000	5,216,260,000	10,266,790,000	33.1
Corporate Income and Franchise	994,020,000	1,015,700,000	2,009,720,000	6.5
Public Utility	366,800,000	373,400,000	740,200,000	2.4
Excise				
Cigarette	550,500,000	544,900,000	1,095,400,000	3.5
Tobacco Products	71,400,000	73,600,000	145,000,000	0.5
Liquor and Wine	48,475,000	49,350,000	97,825,000	0.3
Beer	8,600,000	8,400,000	17,000,000	0.1
Insurance Company	181,000,000	187,000,000	368,000,000	1.2
Miscellaneous	73,900,000	76,300,000	150,200,000	0.5
TOTAL	$15,203,845,000	$15,783,310,000	$30,987,155,000	100.0%

TABLE 8

2015-17 Departmental Revenues

Agency	2015-16	2016-17	Total
Administration	$24,241,200	$19,777,200	$44,018,400
Agriculture, Trade and Consumer Protection	1,752,800	1,752,800	3,505,600
Child Abuse and Neglect Prevention Board	228,400	228,400	456,800
Children and Families	992,200	992,200	1,984,400
Circuit Courts	34,528,100	33,128,100	67,656,200
Corrections	4,344,100	4,344,100	8,688,200
Court of Appeals	198,000	198,000	396,000
District Attorneys	43,300	43,300	86,600
Educational Communications Board	95,500	95,500	191,000
Employment Relations Commission	458,800	71,700	530,500
Financial Institutions	72,559,000	72,439,300	144,998,300
Government Accountability Board	40,200	40,200	80,400
Health Services	51,286,500	50,096,500	101,383,000
Higher Educational Aids Board	547,900	547,900	1,095,800
Historical Society	11,900	11,900	23,800
Insurance	19,061,600	20,061,200	39,122,800
Justice	2,455,400	2,455,400	4,910,800
Miscellaneous Appropriations	5,850,000	5,850,000	11,700,000
Natural Resources	8,359,200	8,227,300	16,586,500
Pension Obligation Bonds	140,564,000	146,281,300	286,845,300
Public Defender	131,700	131,700	263,400
Public Instruction	1,517,100	1,517,100	3,034,200
Public Service Commission	4,964,300	1,618,900	6,583,200
Revenue	29,257,300	33,776,400	63,033,700
Safety and Professional Services	7,832,000	7,810,700	15,642,700
Secretary of State	187,200	133,200	320,400
Shared Revenue and Tax Relief	9,423,500	9,423,500	18,847,000
State Fair Park	6,700	6,700	13,400
Supreme Court	52,200	52,200	104,400
Tobacco Settlement Revenues	76,959,100	74,293,100	151,252,200
Tourism	15,400	15,400	30,800
Transportation	2,803,700	2,803,700	5,607,400
University of Wisconsin System	12,250,000	12,240,300	24,490,300
Wisconsin Technical College System	150,600	150,600	301,200
Workforce Development	2,886,600	2,884,600	5,771,200
Subtotal	$516,055,500	$513,500,400	$1,029,555,900
Tribal Gaming	23,278,400	22,985,400	46,263,800
Total	$539,333,900	$536,485,800	$1,075,819,700

TABLE 9

Summary of 2015-17 Appropriations By Functional Area

All Funds

Functional Area	Amount	% of Total
Human Relations and Resources	$29,442,262,100	40.5%
Education	26,676,307,700	36.7
Environmental Resources	6,885,976,500	9.5
Shared Revenue and Tax Relief	4,938,230,700	6.8
General Executive	3,086,288,700	4.2
Commerce	719,785,800	1.0
General Appropriations	433,705,700	0.6
Judicial	276,591,300	0.4
Legislature	151,398,500	0.2
Compensation Reserves	58,618,600	0.1
TOTAL	$72,669,165,600	100.0%

General Purpose Revenue

Functional Area	Amount	% of Total
Education	$14,792,157,700	44.9%
Human Relations and Resources	10,813,171,300	32.8
Shared Revenue and Tax Relief	4,372,382,300	13.3
General Executive	1,605,977,800	4.9
Environmental Resources	509,503,600	1.5
General Appropriations	366,643,700	1.1
Judicial	248,147,300	0.8
Legislature	147,139,500	0.4
Commerce	79,672,600	0.2
Compensation Reserves	29,309,300	0.1
TOTAL	$32,964,105,100	100.0%

TABLE 10

Summary of 2015-17 Appropriations By Purpose

All Funds

Purpose	Amount	% of Total
State Operations	$26,712,078,400	36.8%
Aids to Individuals and Organizations	24,273,406,500	33.4
Local Assistance	21,683,680,700	29.8
TOTAL	$72,669,165,600	100.0%

General Purpose Revenue

Purpose	Amount	% of Total
Local Assistance	$16,493,192,100	50.0%
Aids to Individuals and Organizations	8,327,535,300	25.3
State Operations	8,143,377,700	24.7
TOTAL	$32,964,105,100	100.0%

STATE AGENCY BUDGET SUMMARIES

ADMINISTRATION

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$829,408,600	$1,230,592,200	$1,205,534,300	-$25,057,900	- 2.0%	$376,125,700	45.3%
FED	287,571,000	281,747,500	281,489,100	-258,400	- 0.1	-6,081,900	- 2.1
PR	645,924,000	869,899,100	683,616,500	-186,282,600	- 21.4	37,692,500	5.8
SEG	107,487,200	117,502,300	114,450,600	-3,051,700	- 2.6	6,963,400	6.5
TOTAL	$1,870,390,800	$2,499,741,100	$2,285,090,500	-$214,650,600	- 8.6%	$414,699,700	22.2%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	95.84	63.29	63.92	0.63	- 31.92
FED	78.18	60.75	60.75	0.00	- 17.43
PR	816.41	955.29	881.96	- 73.33	65.55
SEG	13.60	14.75	15.75	1.00	2.15
TOTAL	1,004.03	1,094.08	1,022.38	- 71.70	18.35

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $582,700
FED	216,900
PR	4,979,300
SEG	- 212,500
Total	$4,401,000

Governor/Joint Finance: Provide standard budget adjustments to the base totaling -$299,400 GPR, $106,400 FED, $2,417,500 PR, and -$107,300 SEG in 2015-16 and -$283,300 GPR, $110,500 FED, $2,561,800 PR, -$105,200 SEG in 2016-17. Adjustments are for: (a) turnover reduction (-$124,000 GPR and -$1,140,800 PR annually); (b) removal of non-continuing elements from the base (-$21,000 GPR, -$1,000 FED, and -$21,000 PR annually); (c) full funding of continuing position salaries and fringe benefits (-$22,800 GPR, $124,800 FED, $2,301,200 PR,

and -$128,600 SEG annually); (d) reclassifications and semiautomatic pay progression ($2,000 GPR, $4,500 FED, $64,600 PR, and $6,500 SEG annually); (e) overtime ($525,900 PR annually); (f) night and weekend differential pay ($27,300 PR annually); and (g) full funding of lease and directed moves costs (-$133,600 GPR, -$21,900 FED, $660,300 PR, and $14,800 SEG in 2015-16 and -$117,500 GPR, -$17,800 FED, $804,600 PR, and $16,900 SEG in 2016-17).

2. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the agency lapse $13,430,900 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

3. ELIMINATE LONG-TERM VACANCIES AND GPR FUNDING [LFB Paper 100]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $382,200	- 2.60	$0	0.00	- $382,200	- 2.60
FED	0	- 2.00	- 258,400	0.00	- 258,400	- 2.00
PR	0	- 41.85	- 5,865,000	0.00	-5,865,000	- 41.85
SEG	0	- 1.20	- 164,800	0.00	- 164,800	- 1.20
Total	- $382,200	- 47.65	- $6,288,200	0.00	- $6,670,400	- 47.65

Governor: Delete 2.6 GPR positions, 2.0 FED positions, 41.85 PR positions, and 1.2 SEG positions annually to eliminate vacant positions that have been vacant for 12 months or more. In addition, reduce funding by $191,100 GPR annually associated with the 2.6 GPR positions identified for elimination under the provision. Funding for the FED, PR, and SEG positions would not be reduced. Position and funding adjustments would be made to the following DOA appropriations: (a) supervision and management general program operations (-2.6 GPR positions and -$191,100 GPR annually); (b) services to non-state governmental units (-1.0 PR position annually); (c) information technology and communications services to non-state entities (-0.9 PR position annually); (d) materials and services to state agencies and certain districts (-2.45 PR positions annually); (e) transportation, records, and document services (-1.5 PR positions annually); (f) capital planning and building construction services (-15.0 PR positions annually); (g) procurement services (-2.0 PR positions annually); (h) justice information systems (-1.0 PR positions annually); (i) financial services (-0.2 PR positions annually); (j) printing, mail, communication, and information technology services to state agencies (renamed to include veterans services under a separate provision in the bill which consolidates two appropriations, -12.2 PR positions annually); (k) federal aid (-1.0 FED position annually); (l) environmental improvement programs general program operations (-1.2 SEG positions annually); (m) risk management administration (-0.05 PR position annually); (n) hearing and appeals fees (-0.8 PR position annually); (o) facility operations and maintenance and police and protection functions (-3.75 PR positions annually); (p) housing and community development federal aid for state operations (-1.0 FED position annually); and (q) Indian gaming

general program operations (-1.0 PR position annually).

Joint Finance: Reduce funding associated with eliminated positions annually as follows: (a) $129,200 FED; (b) $2,932,500 PR; and (c) $82,400 SEG.

4. APPROPRIATION OBLIGATION BONDS DEBT SERVICE REESTIMATE -- PENSION BONDS

GPR	$383,064,900
GPR-Lapse	370,763,900
Net GPR	$12,301,000

Governor/Joint Finance: Provide $383,064,900 GPR in 2016-17 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued to pay the state's Wisconsin Retirement System unfunded prior service liability as well as the accumulated sick leave conversion credit program liability. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds must equal the maximum possible payment that could be made in each succeeding year. Because there are large principal payments currently scheduled in 2017-18 and variable rate debt must be appropriated assuming the maximum allowable interest rate, the GPR appropriation in 2016-17 would be increased, although most moneys would not be expended in 2016-17 and would lapse (revert) to the general fund. Compared to estimated lapses associated with these bonds of $144,821,900 in 2014-15, increase projected lapses in 2016-17 by $370,763,900, to a total lapse of $516,648,688 in that year.

5. APPROPRIATION OBLIGATION BOND DEBT SERVICE -- TOBACCO BONDS

GPR	- $5,838,500

Governor/Joint Finance: Reduce funding by -$5,838,500 in 2016-17 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued in 2009 to refinance the outstanding bonds of the Badger Tobacco Asset Securitization Corporation, under which the state regained the rights to its tobacco settlement payments. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds must equal the maximum possible payment that could be made in each succeeding year. Because there are smaller principal payments scheduled in 2016-17 and 2017-18 compared to base level funding, the GPR appropriation in 2016-17 would be decreased.

6. APPROPRIATION OBLIGATION BONDS DEBT SERVICE REESTIMATE -- SPORTS AND ENTERTAINMENT DISTRICT BONDS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$25,234,500	- $25,234,500	$0
GPR-Lapse	22,434,500	- 22,434,500	0
Net GPR	$2,800,000	- $2,800,000	$0

Governor: Provide $25,234,500 GPR in 2016-17 to establish an appropriation level to fund principal and interest payments on the appropriation bonds. Estimate GPR-lapse amounts of $22,434,500 in 2016-17 from the annual debt service appropriation to reflect an estimate of the initial 2016-17 debt service payment amount of $2,800,000 GPR that would actually be made (See "Sports and Entertainment District" section for provisions related to the creation of the District and state-issued appropriation obligations).

While the bonding transaction for the proposed Sports and Entertainment District arena facility has not been structured yet, DOA indicates that it would likely include components similar to existing appropriation obligation bond issues and the funding in the bill reflects those components. As a result, a portion of the GPR-Lapse amount is associated with the legal agreements that govern the appropriation bonds, which could require that the annual debt service appropriation for repayment of the bonds equal the maximum possible payment that could be made in each succeeding year. Because there could be large principal payments scheduled in 2017-18, the GPR appropriation in 2016-17 would be set at a higher level than debt service in that year, and much of the appropriated funds would not actually be expended in 2016-17 and would lapse (revert) to the general fund.

Joint Finance: Delete provision. [See "Sports and Entertainment District."]

7. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- $1,569,400
PR	4,002,900
Total	$2,433,500

Governor/Joint Finance: Reestimate funding by -$600,400 GPR and $563,000 PR in 2015-16 and -$969,000 GPR and $3,439,900 PR in 2016-17 to reflect the current law reestimate of debt service costs on state general obligation bonds and commercial paper debt issued for the following programs: (a) general fund supported principal and interest for educational technology infrastructure in schools (-$577,400 GPR in 2015-16 and -$949,900 GPR in 2016-17); (b) general fund supported principal and interest for educational technology infrastructure for public library boards (-$200 GPR in 2015-16 and -$11,700 GPR in 2016-17); (c) general fund supported principal and interest for the Black Point Estate in Lake Geneva (-$22,800 GPR in 2015-16 and -$7,400 GPR in 2016-17); (d) program revenue supported principal and interest for educational technology infrastructure for schools (-$178,500 PR annually); (e) principal repayment and interest for parking in Madison (-$900,400 PR in 2015-16 and -$880,700 in 2016-17); and (f) principal repayment and interest for buildings used to house state agencies ($1,641,900 PR in 2015-16 and $4,499,100 PR in 2016-17).

8. UW SYSTEM AUTHORITY PR DEBT SERVICE APPROPRIATION UNDER DOA [LFB Paper 675]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$148,127,300	- $148,127,300	$0

Governor: Create an appropriation under DOA with $148,127,300 in 2016-17 for moneys received from the proposed UW System Authority in payment of principal and interest costs incurred in financing self-amortizing UW facilities and under agreements or ancillary agreements entered into by the UW System or UW System Authority and the Building Commission. Specify that if the amounts in this appropriation are insufficient to pay the full amount of the UW System Authority's PR debt service, then that debt service would be paid with moneys from the UW System Authority's GPR debt service appropriation. Delete a PR appropriation under the UW System for the same purpose. The amount provided in the appropriation reflects a reestimate of UW System PR debt service costs by DOA.

Joint Finance: Delete provision.

9. RISK MANAGEMENT COSTS REESTIMATE

PR	$14,943,400

Governor/Joint Finance: Provide $7,471,700 annually for risk management claims, associated with increased claims costs. Funding would be provided for property claims ($6,079,100 annually) and liability claims ($1,392,600 annually). Base funding for the appropriation is $27,934,500 ($3,968,200 for property claims, $4,170,400 for liability claims, and $19,795,900 for worker's compensation claims). No increase is provided for worker's compensation claims. The program is supported from revenue generated by assessments to state agencies.

10. EAU CLAIRE CONFLUENCE DEVELOPMENT PROJECT [LFB Paper 101]

Governor: Establish a grant program, funded at $15.0 million GPR in 2016-17 and administered by DOA, which would award funds to a city in the state for an economic development district that includes a community arts center and a mixed-use development. Require the applicant city to submit to DOA a financial plan for the economic development district. Specify that the plan must include matching funds (cash, in-kind, or both) that equal 100 percent of the grant funding being requested. In addition, require that the applicant provide proof, to the satisfaction of DOA, of other financing for the economic development district. Specify that DOA may not award more than $15.0 million in grants in total. The Budget in Brief indicates that, "The Governor intends to provide these funds to the Confluence Development Project in the city of Eau Claire to support development in the city's downtown, provided that the district meets the financial matching requirements." [See "Miscellaneous Appropriations."]

Joint Finance: Delete provision. Instead, provide $15.0 million in GPR-supported bonding and enumerate a Confluence Arts Center in Eau Claire under the 2015-17 state building program. In addition, provide $1,075,700 GPR under the Building Commission in 2016-17 for debt service associated with the project. [See "Building Commission."]

11. LAND INFORMATION EXPENDITURE AND POSITION AUTHORITY

	Funding	Positions
FED	- $70,000	- 0.35
PR	- 338,400	- 2.00
SEG	10,227,600	2.35
Total	$9,819,200	0.00

Governor/Joint Finance: Provide funding and position adjustments of -$35,000 FED, -$169,200 PR, $5,113,900 SEG, -0.35 FED position, and -2.0 PR positions in 2015-16 and -$35,000 FED, -$169,200 PR, $5,113,700 SEG, -0.35 FED position, and -2.0 PR positions in 2016-17 to provide increased expenditure and position authority to the land information program. Funding and position adjustments would be provided to the following appropriations of DOA: (a) plat and proposed incorporation and annexation review (-$93,600 PR salaries and fringe and -1.0 PR position annually); (b) printing, mail, communication, and information technology services to state agencies and veterans services, an appropriation renamed under the bill to include veterans services to consolidate two information technology appropriations (-$75,600 PR salaries and fringe and -1.0 PR position annually); (c) federal aid (-$35,000 FED salaries and fringe and -0.35 FED position annually); and (d) land information ($228,200 SEG salaries and fringe, $4,573,500 SEG local assistance, and 2.35 SEG positions annually and $312,200 SEG supplies and services in 2015-16 and $312,000 SEG supplies and services in 2016-17).

According to DOA, expenditure authority provided to the land information program would reflect increased revenue to the land information fund due to a 2013-15 budget provision that reallocated real estate document recording fee moneys submitted to DOA by each county Register of Deeds, and which is effective January 1, 2015. The administration indicates that funding would be used for increased land information grants to counties and further development of the statewide digital parcel map. Specific expenses for the parcel map would include: (a) aggregation of county and municipal parcel data into a statewide layer; (b) analysis of local data sets to make recommendations for improvement at a local level; (c) costs relating to geographic information system software; (d) data storage; (e) website development; and (f) any contractual services needed to perform other duties under the program, such as maintaining and distributing an inventory of land information, preparing guidelines to coordinate the modernization of land records and information systems.

The administration indicates that the position adjustments and associated changes in funding for salaries and fringe would more appropriately align position funding with the functions currently being performed by the positions. The land information program under DOA provides funding in the form of grants to counties for the modernization of local land records. Revenue for the program is generated from register of deeds real estate document recording fees. Base funding for the land information program is $2,550,800 SEG annually from the segregated land information fund ($69,900 salaries and fringe benefits, $109,100 supplies and services, and $2,371,800 local assistance).

12. ONE-TIME GPR AUTHORITY FOR HUD REPAYMENT

GPR	$8,108,500

Governor/Joint Finance: Provide $8,108,500 in 2015-16 to DOA's housing and community development general program operations appropriation for repayment of community

development block grant (CDBG) funding to the U.S. Department of Housing and Urban Development (HUD). The federal agency determined that four projects previously awarded grants were ineligible activities and must be repaid. Funding associated with the CDBG awards totals $16,210,900, of which the State of Wisconsin may pay $7,602,400 by voluntarily reducing future CDBG awards from HUD. In addition, one project has repaid $500,000 to DOA. The remaining $8,108,500 must be repaid to HUD for the ineligible activities.

13. FACILITIES OPERATIONS AND MAINTENANCE FUEL AND UTILITIES REESTIMATE

PR	$2,865,700

Governor/Joint Finance: Provide $1,388,900 in 2015-16 and $1,476,800 in 2016-17 for estimated increases in fuel and utilities costs for DOA's facility operations and maintenance appropriation ($1,381,100 in 2015-16 and $1,468,000 in 2016-17) and parking appropriation ($7,800 in 2015-16 and $8,800 in 2016-17). The reestimated expenses are based on a five-year average of actual expenditures from 2009-10 to 2013-14 and projected rates of growth in consumer energy prices for gasoline, fuel oil and coal, electricity, and natural gas.

14. POSTAGE APPROPRIATION CREATION AND FUNDING

PR	$1,424,000

Governor/Joint Finance: Create a continuing PR appropriation and provide $16,137,900 in 2015-16 and $16,536,900 in 2016-17 for the payment of agency postage costs separate from costs to provide information technology services to state agencies. Delete $15,625,400 annually associated with postage costs from DOA's annual PR appropriation for printing, mail, communication, and information technology services to state agencies. The net increase for postage is $512,500 in 2015-16 and $911,500 in 2016-17.

15. CONSOLIDATE THE DIVISIONS OF HOUSING AND ENERGY SERVICES

	Funding	Positions
GPR	- $45,400	- 0.35
FED	- 1,096,200	- 7.65
Total	- $1,141,600	- 8.00

Governor/Joint Finance: Consolidate DOA's Division of Housing and Division of Energy Services. Delete 1.0 unclassified position and 7.0 classified positions and associated funding of $22,700 GPR and $548,100 FED annually. Funding and position authority would be reduced for the following appropriations under DOA: (a) federal aid ($247,700 FED, 1.0 unclassified FED position, and 2.0 classified FED positions annually from the Division of Energy Services); (b) housing and community development general program operations ($22,700 GPR and 0.35 classified GPR position annually from the Division of Housing); and (c) housing and community development federal aid for state operations ($300,400 FED and 4.65 classified FED positions annually from the Division of Housing). According to the Executive Budget Book, the divisions would be combined "to realize efficiencies in budget, policy, management and administrative support."

16. ELIMINATE OIL OVERCHARGE REFERENCES, FUNDING, AND POSITIONS

	Funding	Positions
FED	- $578,800	- 1.00

Governor/Joint Finance: Eliminate statutory language relating to the expenditure of oil overcharge restitution funds. Delete DOA's oil overcharge restitution funds appropriation and associated funding and position authority of $261,900 and 0.3 position annually. In addition, delete $27,500 and 0.7 position annually associated with oil overcharge restitution funds from DOA's federal aid appropriation. The Department projects the oil overcharge funding, also known as petroleum violation escrow funding, to be fully expended by June 30, 2015.

Oil overcharge funds derived from a variety of federal court settlements involving the validity of applying certain price controls on crude oil during the period from early 1974 until early 1981. During this period, the affected oil producers were required to deposit to an escrow fund the difference between the uncontrolled crude oil price at the time and the controlled price, pending a determination of the validity of the federal pricing regulations. The regulations were ultimately upheld and states began to receive oil overcharge distributions in late 1983.

17. CREATE OFFICE OF LEAN GOVERNMENT AND ELIMINATE PROGRAM FOR LOCAL GOVERNMENTAL EFFICIENCY ASSISTANCE [LFB Paper 102]

	Funding	Positions
GPR	- $638,800	- 1.00
PR	238,800	1.00
Total	- $400,000	0.00

Governor: Provide position and funding adjustments of -$119,400 GPR, $119,400 PR, -1.0 GPR position, and 1.0 PR position annually to reallocate 2.0 PR positions and associated funding and convert 1.0 GPR position and associated funding to PR to create an Office of Lean Government attached administratively to DOA. Specify that the Office must be under the direction and supervision of a director employed within the classified service. Require the Office to establish and administer programs for state agencies "to increase the value of goods and services that state agencies provide with the fewest possible resources." Funding and position adjustments would be made to the following appropriations of DOA: (a) supervision and management general program operations (-$119,400 GPR and -1.0 GPR position annually); (b) materials and services to state agencies and certain districts ($348,300 PR and 3.0 PR positions annually); and (c) printing, mail, communication, and information technology services to state agencies and veterans services (-$228,900 PR and -2.0 PR positions annually), an appropriation which is renamed under the bill to consolidate two information technology services appropriations.

The Office of Lean Government would be staffed with 3.0 classified PR positions and an annual budget divided as follows: (a) salaries, $179,600; (b) fringe benefits, $68,700; and (c) supplies and services, $100,000. Funding for the office would come from charges to state agencies for training and technical assistance in efficiency and continuous improvement practices. Training charges would be based upon an established fee for agency personnel participation in workshops, and technical assistance would be assessed at an hourly rate established specifically for assistance provided by the Office. According to DOA, the Office would also conduct research and analysis and develop policy and program proposals related to efficiency and continuous improvement practices in state government.

Repeal statutory language establishing a program that reimburses businesses for assisting local governmental units in establishing efficiency programs. Delete DOA's appropriation for reimbursement of such businesses and associated funding of $200,000 GPR annually.

Joint Finance: Modify the provision to delete the creation of an Office of Lean Government under statute. As a result, positions and funding would be provided for the proposal, but statutory provisions would be removed.

18. APPROPRIATION FOR UNIVERSITY OF WISCONSIN-GREEN BAY PROGRAMMING [LFB Paper 679]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $247,500	$247,500	$0

Governor: Eliminate statutory provisions and an appropriation in DOA in 2016-17 for University of Wisconsin-Green Bay programming. Delete $247,500 in 2016-17 under the creation of the University of Wisconsin System Authority. [See "University of Wisconsin System Authority."] Funding for this appropriation is from tribal gaming receipts.

Joint Finance: Delete provision.

19. ELIMINATE GENERAL REQUIREMENTS FOR COST-BENEFIT ANALYSIS

Governor: Eliminate the general requirement for state agencies to conduct a uniform cost-benefit analysis of each proposed contractual service procurement involving an estimated expenditure of more than $50,000 in accordance with standards prescribed in rules promulgated by DOA. Eliminate the general requirement for state agencies to review periodically, and before any renewal, the continued appropriateness of contracting under each contractual services agreement involving an estimated expenditure of more than $50,000. In addition, eliminate the requirement that DOA promulgate rules relating to conducting uniform cost-benefit analyses and continued appropriateness reviews for contractual services procurements involving an estimated expenditure of more than $50,000. Eliminate the requirement that DOA include a summary of the cost-benefit analyses completed by agencies in its annual report regarding the number, value, and nature of contractual services procured for each agency, which is submitted to the Governor, Joint Committee on Finance, Joint Legislative Audit Committee, and the Chief Clerk of each house of the Legislature. [Note that the contractual services report would not be eliminated.] According to the Executive Budget Book, the requirements would be eliminated because "analyses are based on estimated costs and are largely speculative."

Under current law, a uniform cost-benefit analysis is defined as "a comprehensive study to identify and compare the total cost, quality, technical expertise, and timeliness of a service performed by state employees and resources with the total cost, quality, technical expertise, and timeliness of the same service obtained by means of a contract for contractual services." Under

general requirements for state agencies with regard to contractual services exceeding $50,000 in expenditures, the following services are excluded from cost-benefit analysis and continued appropriateness review requirements: (a) services that federal or state law requires to be performed by contract; (b) services that must be provided under a contract, license, or warranty by the original equipment manufacturer or publisher; (c) services that cannot be performed by state employees because the state lacks the required infrastructure; and (d) web-based software application services that are delivered and managed remotely. In addition, the Department of Transportation is granted an exception to the requirements under statute with regard to engineering, consulting, surveying, or other specialized services that involve an expenditure of $300,000 or less. Under the bill, no change would be made to the requirement that a uniform cost-benefit analysis and continued appropriateness review be conducted for Department of Transportation specialized services involving an expenditure of more than $300,000.

Joint Finance: Delete provision as a non-fiscal policy item.

20. CONTRACTUAL SERVICES DEFINITION

Governor: Modify the definition of contractual services to specify that contractual services does not include information technology products or services delivered from a central hosting location on a subscription basis. According to the Executive Budget Book, the recommendation to exclude information technology products and services is provided because "most products and services are delivered using a subscription and central hosting delivery model and not as tangible products."

Joint Finance: Delete provision as a non-fiscal policy item.

21. MODIFY PRISON INDUSTRIES PROCUREMENT PRICING RULE [LFB Paper 103]

Governor/Joint Finance: Require DOA and any other designated state purchasing agent, prior to seeking bids or competitive sealed proposals with respect to the purchase of any materials, supplies, equipment, or contractual services enumerated in a list of Prison Industries products and supplies available for purchase (provided by the Department of Corrections), to offer Prison Industries the opportunity to supply the products or services if the Department of Corrections is able to provide them at a price that is comparable to one which may be obtained through competitive bidding or competitive sealed proposals and is able to conform to the specifications. Specify that DOA and any other designated state purchasing agents may solicit bids or competitive proposals before awarding an order or contract if DOA or another purchasing agent is unable to determine whether the price of Prison Industries is comparable to one that would be obtained through competitive bidding or competitive sealed proposals.

Under current law, DOA and other designated purchasing agents must offer Prison Industries the opportunity to supply products or services if the price charged by Prison Industries is equal to or lower than a price which may be obtained through competitive bidding or competitive sealed proposals and is able to conform to the specifications. The Department of

Corrections Prison Industries program provides vocational training and work skills development to participating inmates through production of items such as office furniture, seating, signage, and metal stamping of license plates.

22. ELIMINATE FEDERAL SURPLUS PROPERTY PROGRAM [LFB Paper 104]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$0	0.00	$377,600	3.00	$377,600	3.00

Governor: Eliminate statutory provisions relating to the federal surplus property program. Delete DOA's appropriations for federal resource acquisition ($0 PR and 0.0 PR positions annually) and federal resource acquisition support grants ($0 GPR and 0.0 GPR positions annually). The program, which acquires federal surplus property for public organizations in the state, has been administered by the Wisconsin Technical College System Foundation under contract with DOA since 1986-87. The Executive Budget Book indicates that the program has "struggled to be self-sustaining." The Department of Military Affairs would continue to operate the 1033 federal military property program, which transfers military property to state and local law enforcement agencies. In addition, the provision would not eliminate the state surplus property program established under statute.

Joint Finance: Delete provision. Instead, create an annual PR appropriation for the federal surplus property program, funded from service fees charged to program customers. Specify that service charges must be set to fully recover the cost of transportation, packaging, crating, handling, and program overhead. In addition, provide to the appropriation $377,600 and 3.0 positions in 2016-17 to administer the program.

23. EXTEND DIESEL TRUCK IDLING REDUCTION GRANT PROGRAM [LFB Paper 105]

Governor/Joint Finance: Extend the sunset date for the diesel truck idling reduction grant program from June 30, 2015, to June 30, 2020, and for program administration to December 31, 2021. Base funding for the program is $1,074,900 SEG and 1.0 SEG position annually, funded from the petroleum inspection fund. Currently, the grant program is operated by the State Energy Office within DOA's Division of Energy Services. Under the bill, the energy office would be transferred to the Public Service Commission. However, the diesel truck idling reduction grant program and position would remain at DOA under the newly combined energy services and housing division. The program aims to improve fuel efficiency and lower air pollution by providing 50% matching grants to freight motor carriers headquartered in Wisconsin to purchase and install idling reduction units for long-haul truck tractors.

24. TRANSFER BUILDING PROGRAM REVENUE TO GENERAL FUND

GPR-REV	$5,000,000

Joint Finance: Transfer $5.0 million PR from DOA's capital planning and building construction services appropriation to the general fund in 2015-16.

25. ENERGY EFFICIENT BUILDING DESIGNER CERTIFICATION

Joint Finance: Require DOA, upon request, to provide any necessary certification for a person to receive a tax deduction under 26 U.S.C. 179D if the person is the primary designer of an energy efficient commercial building property installed on or in state-owned property.

26. STATE AGENCY LEASES OUTSIDE DANE AND MILWAUKEE COUNTIES

Joint Finance: Require DOA, before signing or renewing any executive branch agency lease for space that is located in Dane or Milwaukee Counties, to solicit lease options in counties other than Dane or Milwaukee. Require DOA to prepare a cost benefit analysis for each lease or renewal regarding whether savings to the state would accrue from locating the agency, department, division, bureau or office to a location outside of Dane or Milwaukee Counties. Specify that the cost benefit analysis be provided to the involved agency head and the Joint Committee on Finance.

27. APPRAISALS OF STATE-OWNED PROPERTY

PR	$200,000

Joint Finance: Provide $100,000 annually to DOA's facility operations and maintenance, police and protection functions appropriation for appraisals of state-owned real property.

28. COLLEGE SAVINGS ADMINISTRATION AND CONTRIBUTIONS

	Funding	Positions
SEG	$113,100	1.00

Joint Finance: Provide $48,500 in 2015-16 and $64,600 in 2016-17 and 1.0 position annually to DOA's college savings program administrative expenses appropriation, funded from the college savings program trust fund. Specify a contribution limitation in statute based on the combined balance of a beneficiary's accounts, and set the limit at $425,000, effective August 1, 2015. Require that, beginning in 2015, the account balance-based contribution limit be increased annually before December 31, based on the limit that is in effect on August 1, 2015. Specify that the annual increase must be equal to a percentage that is no less than the most recently published national average tuition and fees percentage increase at private nonprofit four-year institutions, as determined by the College Board, or such other nationally reputable entity, and is subject to the requirements under 26 U.S.C. 529 that pertain to the prohibition on excess contributions.

29. ELIMINATE CERTAIN BOARDS AND COUNCILS

Joint Finance: Eliminate the following boards and councils. In addition, specify that the Department of Safety and Professional Services (DSPS) must include a proposal to eliminate inactive boards, councils, or commissions with the submission of its biennial agency budget request. Under current law, DOA proposes the elimination of inactive boards, councils, or commissions with the submission of its biennial agency budget request.

Administration
Acid Deposition Research Council
Council on Utility Public Benefits
Information Technology Management Board
Service Award Board

Office of the Governor
Standards Development Council

Historical Society
Historical Society Endowment Fund Council

Natural Resources
Managed Forest Land Board
Milwaukee River Revitalization Council

Public Service Commission
Telecommunications Privacy Council

Safety and Professional Services
Automatic Fire Sprinkler System Contractors and Journeymen Council
Crematory Authority Council Examining Council on Licensed Practical Nurses
Examining Council on Registered Nurses
Multifamily Dwelling Code Council
Pharmacist Advisory Council

Workforce Development
Labor and Management Council

30. ELIMINATE CERTAIN BOARDS AND COUNCILS UNDER DEPARTMENT OF ADMINISTRATION

Joint Finance: Eliminate the following boards administratively attached to DOA and councils that are created within DOA: (a) Acid Deposition Research Council; (b) Council on Utility Public Benefits; (c) Information Technology (IT) Management Board; and (d) Service Award Board. In its 2015-17 biennial budget request, DOA proposed the elimination of the boards and councils, which had not met for at least one year, from September, 2013, to September, 2014.

Under current law, the boards and councils perform the following functions:

The Acid Deposition Research Council makes recommendations relating to acid deposition research in the state, including recommendations regarding research objectives, types of and priorities for research, and funding levels for research based on evaluations of mechanisms for funding. In addition, the Council must, by July 1 of each even-numbered year, submit a report of its work summarizing its recommendations and the results of the research reviewed and must file the report with the Governor, the Secretary of DOA, the Chairperson of the Natural Resources Board, and the Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees.

The Department must administer the low-income energy assistance program, including the promulgation of administrative rules, in consultation with the Council on Utility Public Benefits.

The Department must report on an annual basis to the Joint Committee on Information Policy and Technology and the IT Management Board concerning the performance measures utilized by DOA and the actual performance of DOA and executive branch agencies measured against the performance measures then in effect. The IT Management Board must provide DOA with recommendations concerning any element of an executive branch agency strategic IT plan that is referred to the Board, may advise DOA with respect to management of the state's IT portfolio, and may monitor progress in attaining goals for IT and telecommunications development set by DOA or other executive branch agencies and make recommendations concerning the attainment of such goals. The Board may, upon petition of an executive branch agency, review any decision of DOA relating to IT which affects that agency and may affirm, modify, or set aside the decision. If the Board modifies or sets aside the decision of DOA, the decision of the Board stands and the decision is not subject to further review or appeal.

The Service Award Board is responsible for establishing the service award program under DOA through the promulgation of administrative rules regarding funding and administration of length of service awards provided to volunteer fire fighters, first responders, emergency medical technicians, and the beneficiaries of such volunteers under certain circumstances. [Under the provision, responsibility for functions performed by the Service Award Board would be transferred to DOA.]

Transfers

1. TRANSFER FUNCTIONS OF THE OFFICE OF STATE EMPLOYMENT RELATIONS [LFB Paper 496]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $142,600	- 0.50	$0	0.00	- $142,600	- 0.50
PR	11,057,900	37.50	0	3.00	11,057,900	40.50
Total	$10,915,300	37.00	$0	3.00	$10,915,300	40.00

Governor: Provide $5,672,300 PR in 2015-16, $5,679,400 PR in 2016-17, and 39.0 PR positions annually associated with the transfer of functions from the Office of State Employment Relations (OSER), which is attached administratively to the Department of Administration (DOA). Delete the following base positions and related funding from DOA associated with the transfer of OSER functions to the Department: (a) $71,300 GPR and 0.5 GPR human resources manager position annually; and (b) $146,900 PR and 1.5 PR positions annually (1.0 employment relations program coordinator and 0.5 human resources manager). [While 42.0 PR positions transferred from OSER to DOA under the bill, 39.0 transferred PR positions were re-created under DOA. The administration indicates that an errata will be submitted to provide an additional 3.0 PR positions to DOA that were intended to be transferred from OSER under this

recommendation.]

Transfer the following OSER appropriations to supervision and management under DOA: (a) PR annual services to nonstate governmental units; (b) PR annual employee development and training services; (c) PR annual general program operations; (d) PR annual publications; and (e) PR annual collective bargaining grievance arbitrations.

Create a Division of Personnel Management under DOA. Provide that the administrator of the Division would serve at the pleasure of the Secretary of DOA. The administrator would be created under the unclassified service.

Create a Bureau of Merit Recruitment and Selection within the Division. Provide that the director of the Bureau would serve at the pleasure of the Secretary of DOA. The director would be created under the unclassified service. [Under current law, the administrator of the Division of Merit Recruitment and Selection under OSER must be nominated by the Governor, and with the advice and consent of the Senate appointed for a five-year term, under the unclassified service from a register of at least five names certified to the Governor by the Director of OSER. The Director of OSER must prepare and conduct an examination for the position of administrator of the Division of Merit Recruitment and Selection according to state requirements for classified positions. The administrator of the Division of Merit Recruitment and Selection may be re-nominated by the Governor, and with the advice and consent of the Senate reappointed.]

Create a Council on Affirmative Action in the Division consisting of 15 members appointed for three-year terms. Require that a majority of the Council's members be: (a) public members; and (b) minority persons, women, or persons with disabilities, appointed with consideration to the appropriate representation of each group. Provide that the President of the Senate, the Speaker of the Assembly, the Minority Leader of the Senate, and the Minority Leader of the Assembly each appoint one member to the Council. Specify that the remaining Council members by appointed by the Governor. The Council on Affirmative Action in the Division would mirror the current law Council on Affirmative Action under OSER.

Create a State Employees Suggestion Board under DOA consisting of three persons, at least one of whom shall be a state officer or employee, appointed for four-year terms. The State Employees Suggestion Board under DOA would mirror the current law State Employees Suggestion Board in OSER.

Under current law, OSER is responsible for overseeing the state civil service system including labor relations, negotiating on behalf of the state with its collective bargaining units, and administering the state's affirmative action and equal opportunity programs.

Joint Finance: Approve provision. In addition, provide an additional 3.0 PR positions to DOA that were intended to be transferred from OSER to DOA under the Governor's recommendation.

2. DESIGNATED PROVIDER OF INFORMATION TECHNOLOGY SERVICES FOR CERTAIN AGENCIES [LFB Paper 110]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$9,746,000	43.00	- $9,746,000	- 42.00	$0	1.00

Governor: Require DOA to provide all information technology services for the following agencies: (a) Department of Financial Institutions or its successor agency; (b) Department of Safety and Professional Services or its successor agency; (c) Public Service Commission; (d) State Fair Park Board; (e) Educational Communications Board; (f) Higher Educational Aids Board; (g) State Historical Society; (h) Technical College System Board; (i) Department of Tourism; (j) Board of Commissioners of Public Lands; (k) Government Accountability Board; (l) Board on Aging and Long-Term Care; (m) Board for People with Developmental Disabilities; (n) Office of the Governor; (o) Office of the Lieutenant Governor; (p) Office of the State Treasurer; and (q) Office of the Secretary of State.

Provide $4,873,000 and 43.0 positions annually to DOA's appropriation for printing, mail, communication, and information technology services to state agencies and veterans services. In addition to the agencies listed above, DOA would provide information technology services to the Office of State Employment Relations (which is administratively attached to DOA and would be converted under the bill to a Division of Personnel Management within DOA). Under the provision, 12 agencies are allocated position reductions. The table below shows position adjustments for each agency, including DOA, and amounts of funding reallocated within each agency from salaries and fringe to supplies and services to pay service charges assessed by DOA.

Agencies by Fund	Annual FTE Positions	Annual Reallocation
GPR		
Educational Communications Board	-3.34	$293,300
Higher Educational Aids Board	-3.00	218,700
Historical Society	-6.00	673,400
Technical College System	-2.00	203,700
Tourism	-3.00	203,900
Total GPR Positions	-17.34	$1,593,000
FED		
Historical Society	-1.00	$69,900
Technical College System	-4.00	369,200
Tourism	-1.00	77,400
Total FED Positions	-6.00	$516,500
PR		
Board of Commissioners of Public Lands	-1.00	$82,100
Board on Aging and Long-Term Care	-0.50	39,600
Educational Communications Board	-0.66	54,900
Financial Institutions	-11.00	1,269,100
Office of State Employment Relations	-1.00	79,600
Public Service Commission	-9.00	876,800
Safety and Professional Services	-1.78	167,700
State Fair Park	-1.00	106,100
Total PR Positions	-25.94	$2,675,900
SEG		
Public Service Commission	-1.00	$94,100
Agencies Total	-50.28	$4,879,500
Administration		
PR	43.00	
Subtotal Administration	43.00	
Net Total Position Adjustments	-7.28	

On the effective date of the bill, specify that the assets and liabilities of the agencies identified in the bill which are related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts entered into by the agency would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred from the specified agencies to DOA under the provision. [See entries under each agency section.]

Joint Finance: Delete provision. Instead, require DOA to consult with identified agencies and develop a plan for assuming responsibility for services relating to human resources, payroll, finance, budgeting, procurement, and information technology (IT), for any of the following

agencies: Board of Commissioners of Public Lands; Board on Aging and Long-Term Care; Board for People with Developmental Disabilities; Educational Communications Board; Department of Financial Institutions; Government Accountability Board; Higher Educational Aids Board; State Historical Society; Public Service Commission; Department of Safety and Professional Services; Office of the Secretary of State; State Fair Park Board; Technical College System Board; Department of Tourism; Office of the Governor; Office of the Lieutenant Governor; and Office of the State Treasurer. Specify that the Secretary of DOA submit to the Joint Committee on Finance the plan for approval under s. 13.10 of the statutes no later than March 1, 2016, for implementation beginning July 1, 2016. Require DOA to include in the plan which services would be provided to each agency, which positions would be deleted or transferred, and the number and type of positions and associated funding that would be provided to DOA.

In addition, specify that 1.0 IT position and the incumbent employee be transferred from the Office of State Employment Relations to DOA's new Division of Personnel Management and reallocate supplies and services funding of $79,600 PR annually to salaries and fringe benefits associated with the position.

3. TRANSFER CERTAIN AGENCY FUNCTIONS FOR SHARED AGENCY SERVICES PILOT AND STUDY [LFB Paper 111]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	0.00	- $953,600	- 5.37	- $953,600	- 5.37
FED	- 91,000	- 0.43	0	0.00	- 91,000	- 0.43
PR	6,444,600	35.13	- 5,400,000	- 29.33	1,044,600	5.80
Total	$6,353,600	34.70	- $6,353,600	- 34.70	$0	0.00

Governor: Modify the Department's funding and position authority by -$45,500 FED, $3,222,300 PR, -0.43 FED position, and 35.13 PR positions annually for a pilot program and enterprise-wide program implementation study to consolidate administrative functions of state agencies. Funding and position adjustments would be provided to the following appropriations, as shown in the table below.

DOA Appropriation	FTE	2015-16 Salary and Fringe	2015-16 Supplies and Services	2015-16 Total Funding	2016-17 Salary and Fringe	2016-17 Supplies and Services	2016-17 Total Funding
FED							
Indirect cost reimbursements	-0.43	-$40,600	-$4,900	-$45,500	-$40,600	-$4,900	-$45,500
PR							
Materials and services to state agencies and certain districts	14.63	$1,197,000	$172,500	$1,369,500	$1,153,600	$166,800	$1,320,400
Procurement services	1.00	72,200	11,400	83,600	72,200	11,400	83,600
General program operations (Division of Personnel Management)	19.50	1,552,600	216,600	1,769,200	1,596,000	222,300	1,818,300
Subtotal PR	35.13	$2,821,800	$400,500	$3,222,300	$2,821,800	$400,500	$3,222,300
All Funds	34.70	$2,781,200	$395,600	$3,176,800	$2,781,200	$395,600	$3,176,800

Require DOA to administer for each "shared services agency" services relating to human resources, payroll, finance, budgeting, and procurement. The pilot program would be conducted for the following agencies, defined as shared services agencies under the bill: (a) Department of Financial Institutions or its successor agency; (b) Department of Safety and Professional Services or its successor agency; (c) Public Service Commission; (d) State Fair Park Board; (e) Educational Communications Board; (f) Higher Educational Aids Board; (g) State Historical Society; (h) Technical College System Board; (i) Department of Tourism; (j) Board of Commissioners of Public Lands; and (k) Government Accountability Board. Under the provision, 10 agencies are allocated position reductions. The table below shows position adjustments for each agency, including DOA, and amounts of funding reallocated from salaries and fringe to supplies and services to pay service charges assessed by DOA.

Shared Agency Services
Position and Funding Adjustments

Agencies by Fund	Annual FTE Positions	Annual Reallocation
GPR		
Educational Communications Board	-3.00	$241,700
Government Accountability Board	-1.50	88,600
Historical Society	-7.33	719,600
Technical College System	-2.50	245,900
Tourism	-1.00	97,700
Total GPR Positions	-15.33	$1,393,500
FED		
Historical Society	-1.00	$58,800
Technical College System	-0.50	49,400
Total FED Positions	-1.50	$108,200
PR		
Board of Commissioners of Public Lands	-1.00	$106,000
Financial Institutions	-5.00	320,700
Government Accountability Board	-0.50	39,700
Historical Society	-1.00	68,700
Public Service Commission	-3.00	219,000
Safety and Professional Services	-17.00	1,384,200
State Fair Park	-1.00	110,700
Total PR Positions	-28.50	$2,249,000
SEG		
Historical Society	-0.67	$38,700
Shared Services Agencies Total	-46.00	$3,789,400
Administration		
FED	-0.43	
PR	35.13	
Subtotal Administration	34.70	
Net Total Position Adjustments	-11.30	

Permit DOA to assess shared services agencies for services provided, in accordance with a methodology determined by DOA. Specify that funding from procurement-related assessments would be provided to DOA's procurement services appropriation. [See entries under each agency section.]

On the effective date of the bill, specify that the assets and liabilities of a shared services agency that relate to human resources services, payroll services, finance services, budget functions, and procurement functions, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, of a shared services agency that relate to human resources services, payroll services, finance services, budget functions, and procurement

functions, would transfer to DOA. Further, all contracts entered into by the shared services agency that relate to human resources services, payroll services, finance services, budget functions, and procurement functions would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred from the specified agencies to DOA under the provision.

Require DOA to study an enterprise-wide shared services model for implementation in the 2017-19 budget. Under the bill, DOA must submit an implementation plan based on the results of the study to the Governor and the Legislature by June 30, 2016.

Joint Finance: Delete provision (funding and position authority adjustments of $45,500 FED, -$3,222,300 PR, 0.43 FED position, and -35.13 PR positions annually). Instead, require DOA to consult with identified agencies and develop a plan as specified in Item #2 above. Specify that the Secretary of DOA submit to the Joint Committee on Finance the plan for approval under s. 13.10 of the statutes no later than March 1, 2016, for implementation beginning July 1, 2016.

In addition, allow DOA to reorganize internally effective July 1, 2015, in association with the transfer of the Office of State Employment Relations to DOA's new Division of Personnel Management. Further, provide funding and position authority adjustments of -$476,800 GPR, -$45,500 FED, $522,300 PR, -5.37 GPR positions, -0.43 FED position, and 5.8 PR positions annually under DOA associated with the reorganization.

4. TRANSFER PROCUREMENT POSITION FROM DEPARTMENT OF EMPLOYEE TRUST FUNDS [LFB Paper 272]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$156,800	1.00	- $156,800	- 1.00	$0	0.00

Governor: Transfer from the Department of Employee Trust Funds (ETF) 1.0 position and an incumbent employee holding the position who performs duties relating to procurement, as determined by the Secretary of DOA. Provide $78,400 annually to DOA's procurement services appropriation to fund the transferred position ($56,700 for salaries and $21,700 for fringe benefits). Specify that the employee would retain the rights and status held at ETF before the transfer. In addition, the employee would not be required to serve a probationary period if the employee has attained permanent status. The administration indicates that the transferred position and funding would be provided to manage ETF's purchasing, other than procurement relating to group insurance, as well as procurement and purchasing for the Historical Society, State Fair Park Board and the shared agency services pilot program agencies. [See "Employee Trust Funds."]

Under the shared agency services pilot program provision, also summarized under this section, responsibility for procurement and other administrative services would transfer from several agencies, including the Historical Society and State Fair Park Board. In the event that the

ETF position is transferred but the shared agency services pilot program provision is not adopted, the administration indicates that it intends to transfer procurement functions from ETF, the Historical Society, and State Fair Park Board to DOA, using currently existing authority granted under procurement statutes.

Joint Finance: Delete provision. Further, delete the authority of DOA to require ETF and its governing boards to utilize DOA procurement and purchasing services. [See "Employee Trust Funds."]

5. TRANSFER WORKER'S COMPENSATION ADJUDICATORY FUNCTIONS FROM WORKFORCE DEVELOPMENT [LFB Paper 735]

	Funding	Positions
PR	$5,529,500	33.00

Governor: Provide $1,843,200 in 2015-16, $3,686,300 in 2016-17, and 33.0 positions annually to transfer adjudicatory responsibilities relating to worker's compensation disputes from the Department of Workforce Development (DWD) to the Division of Hearings and Appeals (DHA) in DOA. The funding and transferred positions would be provided to the following appropriations of DOA: (a) hearings and appeals fees ($1,794,100 in 2015-16 and $3,588,100 in 2016-17 and 32.0 positions annually associated with adjudicatory duties); and (b) materials and services to state agencies and certain districts ($49,100 in 2015-16 and $98,200 in 2016-17 and 1.0 human resources program officer position annually). Permit the administrator of DHA to set fees to be charged for any services provided to the Office of the Commissioner of Insurance (OCI) by a hearing examiner. [Under the bill, responsibility for administration of the worker's compensation program is transferred from DWD to OCI.] Require OCI to pay all costs of the services provided by a hearing examiner assigned by DHA, according to fees set by the administrator of DHA. Specify that duplicate copies of an award made on behalf of a state employee must be filed with the unit of DOA responsible for risk management. Under current law, the unit of DOA with which copies of an award must be filed is not specified. According to the Executive Budget Book, the transfers to DOA and the Office of the Commissioner of Insurance "will consolidate similar functions and create greater efficiencies."

Specify that the effective date of the transfer of worker's compensation responsibilities to DHA and OCI would be January 1, 2016. Specify that, on the effective date, the assets and liabilities of DWD primarily relating to the adjudicatory functions of the Division of Worker's Compensation, as determined by the Secretary of DOA, would become the assets and liabilities of DHA in DOA. Further, specify that all positions and all incumbent employees holding those positions performing duties that are primarily related to the adjudicatory functions of worker's compensation, as determined by the Secretary of DOA, be transferred on the effective date to DHA. Provide that the employees transferred under the provision would maintain the rights and status that they enjoyed before the transfer, and would not be required to serve a probationary period if they have already attained permanent status. Specify that all tangible personal property, records, pending matters, and contracts that are primarily related to the adjudicatory functions of worker's compensation, as determined by the Secretary of DOA, would be transferred on the effective date to DHA. Specify that all rules and orders that are primarily related to the adjudicatory functions of worker's compensation, as determined by the Secretary of DOA, would

remain in effect until their specified expiration dates or until modified or rescinded by the administrator of DHA.

Joint Finance: Specify that, of the 33.0 transferred positions, at least 18 must be administrative law judges who would be transferred to DOA to hear worker's compensation cases. Require that each of the worker's compensation administrative law judges must allocate at least 80% of their time on worker's compensation issues. Specify that six worker's compensation administrative law judges and two legal support staff remain at DWD to mediate disputes. [See "Workforce Development."]

6. ELECTRONIC RECORDING AND DELIVERY OF WORKER'S COMPENSATION HEARING TESTIMONY AND MATERIALS

Governor: Permit DHA to provide by rule the conditions under which transcripts or electronic recordings of worker's compensation hearing testimony and proceedings shall be furnished. Under current law, DHA may provide by rule the conditions under which transcripts only shall be furnished.

Require DHA to record all testimony given at worker's compensation hearings by electronic means rather than by a stenographer. Specify that a stenographer must transcribe testimony only if the hearing examiner orders the transcription. Under current law, all testimony given at worker's compensation hearings must be taken down by a stenographer, except that in the case of an emergency testimony may be recorded.

Require DHA to provide to the parties of a worker's compensation hearing proceeding a copy of the electronic recordings (or transcripts ordered) upon the payment of any fee that is required by DHA by rule.

Permit DHA to provide the following documents and correspondence to the parties of interest of a worker's compensation hearing by electronic means or by mail: (a) copy of an application in writing stating the general nature of any claim as to which a dispute or controversy may have arisen; (b) notice of a hearing on the application; (c) hearing examiner's findings and order; (d) notice of reversal or modification; and (e) decision of the Labor and Industry Review Commission. Under current law, the documents and correspondence may only be provided by mail.

In addition, permit the Labor and Industry Review Commission, when providing copies of a summons and complaint that has been served to a member of the Commission, to provide copies by electronic means or by mail. Under current law, the Commission may only provide copies of a summons and complaint by mail.

Joint Finance: Delete provision as a non-fiscal policy item.

7. TRANSFER STATE ENERGY OFFICE AND RELOCATION ASSISTANCE TO PUBLIC SERVICE COMMISSION [LFB Paper 112]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $176,000	- 1.00	$176,000	1.00	$0	0.00
FED	- 4,204,400	- 6.00	0	0.00	- 4,204,400	- 6.00
PR	- 197,800	- 1.00	0	0.00	- 197,800	- 1.00
Total	- $4,578,200	- 8.00	$176,000	1.00	$4,402,200	- 7.00

Governor: Delete $88,000 GPR, $2,102,200 FED and $98,900 PR annually and delete position authority of 1.0 GPR position, 6.0 FED positions, and 1.0 PR position annually from DOA to transfer to the Public Service Commission (PSC) the State Energy Office and responsibility for administering relocation assistance to persons displaced when their property is condemned for public improvements.

State Energy Office. Currently, the State Energy Office has 9.0 positions (1.0 GPR position, 6.0 FED positions, 1.0 PR position, and 1.0 SEG position). Under the proposed transfer of the Office, a total of 6.0 positions and their incumbent employees would transfer to the PSC (1.0 GPR position, which would be converted to a PR position, and 5.0 FED positions). Of the remaining 3.0 positions, 1.0 PR position and 1.0 FED position in the Office would be deleted and 1.0 SEG position, which is funded from the petroleum inspection fund, would stay at DOA to administer the diesel truck idling reduction grant program. According to the administration, the State Energy Office and PSC currently coordinate activities relating to publication of energy statistics and administration of energy efficiency-related programs, and could benefit from shared resources and experience with revolving loan funds and energy matters in general.

Relocation Assistance. Transfer responsibility for performing the following functions relating to relocation assistance from DOA to the PSC: (a) determination of standards defining a comparable dwelling as decent, safe and sanitary, and within the financial means of the displaced person; (b) determination of whether certain activities cause a person to be displaced; (c) establishment of a schedule for making optional fixed payments instead of actual relocation expenses related to dwellings, businesses, and farms; (d) promulgation of rules for computing increased interest costs incurred to finance replacement housing for owner-occupants, tenants, and certain others; (e) promulgation of rules regarding replacement payments for owner-occupied and tenant-occupied businesses or farm operations; (f) establishment of procedures for waiver of relocation assistance; (g) promulgation of rules regarding the procedure for collecting itemized items of compensation; (h) review and approval of relocation payment plans and assistance services; (i) the formulation of local standards for decent, safe, and sanitary dwelling accommodations; (j) the promulgation of rules related to the administration of the relocation assistance program; (k) cooperation with the Department of Transportation in the promulgation of administrative rules; (l) conducting investigations to determine compliance with relocation assistance requirements; (m) requesting court orders to obtain condemnor compliance; (n) requesting assistance from the Attorney General; (o) reviewing complaints from displaced persons prior to the person commencing a court action; (p) preparation of pamphlets describing

the state's eminent domain laws; and (q) providing technical assistance to condemnors.

General Provisions. Specify that any related assets, liabilities, and tangible personal property are also transferred to the PSC, any matters pending with DOA relating to the State Energy Office or relocation assistance remain pending with the PSC, any contracts entered into remain in effect with the PSC, and any promulgated rules and orders remain in effect until their expiration or until they are modified, rescinded, or repealed by the PSC. Specify that 1.0 GPR position and 5.0 FED positions and the incumbent DOA employees holding the transferred positions, as determined by the DOA Secretary, are also transferred to the PSC and that those employees maintain their rights and status. Specify that no transferred employee who has attained permanent status would be required to serve a probationary period.

Joint Finance: Modify the provision to maintain the relocation assistance program and associated funding and position authority of $88,000 GPR and 1.0 GPR position annually at DOA.

8. CONDEMNOR COMPLIANCE WITH FEDERAL RELOCATION ASSISTANCE REQUIREMENTS

Governor/Joint Finance: Require that, for federally financed projects, a condemnor exercising eminent domain authority that acquires property or undertakes a program or project that displaces a person must not only comply with state law but also make any payments required under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any regulations adopted thereunder. According to DOA, confusion arises when federally-funded projects such as highway projects are subject to federal relocation assistance benefit requirements that exceed maximum benefit limits established under the state administrative code. The administration indicates that the purpose of the provision is to prevent a potential loss of federal funding when relocation benefit requirements differ under state and federal law.

9. TRANSFER INFORMATION TECHNOLOGY INFRASTRUCTURE FUNCTIONS AND POSITIONS FROM WORKFORCE DEVELOPMENT

	Funding	Positions
PR	$1,236,400	5.00

Governor/Joint Finance: Provide $618,200 and 5.0 positions annually to the Department's printing, mail, communication, and information technology services to state agencies and veterans services appropriation (modified under the bill to consolidate two information technology appropriations under DOA) to transfer information technology infrastructure functions from the Department of Workforce Development (DWD) to DOA. Funding would be for: (a) salaries ($447,200 annually); and (b) fringe benefits ($171,000 annually).

Of the 5.0 positions provided, transfer from DWD 4.0 incumbent employees performing duties "primarily related to infrastructure," as determined by the Secretary of DOA. Transferred employees would retain the rights and status that they possessed prior to the transfer. Any

permanent employees transferred under the provision would not be required to serve a probationary period. [See "Workforce Development."]

10. TRANSFER VACANT POSITIONS FROM AGENCIES FOR INFORMATION TECHNOLOGY PROCUREMENT [LFB Paper 113]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$1,088,000	5.00	- $1,088,000	- 5.00	$0	0.00

Governor: Provide $544,000 and 5.0 positions annually to the Department's printing, mail, communication, and information technology services to state agencies and veterans services appropriation (modified under the bill to consolidate two information technology appropriations under DOA) to "strengthen information technology and services procurement." Transfer 1.0 vacant position from each of the following departments to DOA: (a) Children and Families; (b) Health Services; (c) Natural Resources; (d) Transportation; and (e) Workforce Development. [See entries under each agency section.]

According to the Executive Budget Book, the increased DOA staff is intended to "ensure that individual agency information technology purchases are made in a way that considers technologies and products already in use across the enterprise and maximizes single, integrated solutions whenever possible."

Joint Finance: Delete provision.

11. TRANSFER POSITIONS FOR AN OFFICE OF GOVERNMENT CONTINUITY [LFB Paper 114]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$676,500	3.00	- $676,500	- 3.00	$0	0.00

Governor: Create an Office of Government Continuity under DOA. Provide $314,000 in 2015-16, $362,500 in 2016-17, and 3.0 positions annually to DOA's appropriation for materials and services to state agencies and certain districts. Funding would be provided for: (a) salaries ($105,000 in 2015-16 and $140,100 in 2016-17); (b) fringe benefits ($40,200 in 2015-16 and $53,600 in 2016-17); and (c) supplies and services ($168,800 annually). Require the Office to establish and administer a continuity of government program in consultation with the administrator of the Division of Emergency Management in the Department of Military Affairs, to ensure the continuity of state government operations during a disaster. Further, require the Office to establish and periodically update a continuity of operations plan for each executive

branch state agency, and administer the plan in cooperation with each agency. Require DOA to annually assess each executive branch state agency an amount equal to that agency's share of DOA's costs incurred in the operation of the Office, by a method of apportionment determined by DOA. Specify that assessments received for the Office of Government Continuity would be deposited to DOA's appropriation for materials and services to state agencies and certain districts.

Transfer 1.0 position from each of the following agencies, to staff the Office of Government Continuity: (a) the Department of Safety and Professional Services, or its successor agency; (b) the Department of Health Services; and (c) the Wisconsin Historical Society. [See entries under each agency section.]

Joint Finance: Delete provision.

12. TRANSFER MUNICIPAL FILING FUNCTIONS FROM OFFICE OF SECRETARY OF STATE [LFB Paper 581]

Governor: Transfer certain record keeping functions from the Office of Secretary of State (SOS) to DOA related to certain municipal annexations, detachments, dissolutions, or incorporations. These provisions would first apply to a document that is filed, recorded, supplied, provided, forwarded, or issued, or to a fact that is certified on the effective date of the budget bill. The bill would not transfer existing records from the SOS to DOA. [See "Secretary of State."]

Joint Finance: Specify that the existing records of the SOS relating to municipal boundary record keeping would be transferred to, and become the property of, DOA on the effective date of the bill.

13. TRANSFER BUSINESS CERTIFICATIONS TO DEPARTMENT OF FINANCIAL INSTITUTIONS AND PROFESSIONAL STANDARDS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $221,300	- 2.00	$221,300	2.00	$0	0.00
PR	- 227,500	- 1.00	227,500	1.00	0	0.00
Total	- $448,800	- 3.00	$448,800	3.00	$0	0.00

Governor: Transfer from DOA to the Department of Financial Institutions and Professional Standards (DFIPS) responsibilities relating to disabled veteran-owned business certifications, woman-owned business certifications, and minority business certifications. Renumber DOA's PR appropriation for disabled veteran-owned, woman-owned, and minority business certification fees to create the appropriation under DFIPS and reduce the associated expenditure authority of $15,800 PR in 2015-16 and $31,500 in 2016-17 under DOA. In addition, reduce the remaining funding and position authority associated with the certification

program by $73,800 GPR and $60,100 PR in 2015-16 and $147,500 GPR and $120,100 PR in 2016-17 and 2.0 GPR positions and 1.0 PR position annually, from DOA's GPR appropriation for supervision and management general program operations and PR appropriation for capital planning and building construction services.

Specify that all positions and incumbent employees in the classified service who hold the positions that perform duties primarily related to disabled veteran-owned business certifications, woman-owned business certifications, and minority business certifications, as determined by the Secretary of DOA, would be transferred to DFIPS on the effective date of the provision (January 1, 2016). Specify that the employees transferred to DFIPS under the provision would maintain the rights and status that they enjoyed at DOA prior to the transfer. Specify that the assets and liabilities, tangible personal property (including records), and pending matters that are primarily related to disabled veteran-owned business certifications, woman-owned business certifications, and minority business certifications, as determined by the Secretary of DOA, would transfer to DFIPS. In addition, specify that all contracts entered into by DOA that are in effect prior to the transfer and are primarily related to disabled veteran-owned business certifications, woman-owned business certifications, and minority business certifications, as determined by the Secretary of DOA, would remain in effect and would transfer to DFIPS. [See "Financial Institutions and Professional Standards."]

Currently, certified businesses may receive technical and marketing assistance, including participation in a statewide business marketing conference, and are eligible to be listed in the state's directory of minority, woman-owned, and disabled veteran-owned businesses, which is available through the supplier diversity program. In addition, when minority businesses and disabled veteran-owned businesses submit a state purchasing bid, they may be awarded a state procurement price preference of 5% higher than the lowest responsible bid. This permissive low-bid preference is applicable to all state purchases except printing and stationery.

Joint Finance: Delete provision.

14. TRANSFER OFFICE OF BUSINESS DEVELOPMENT AND SMALL BUSINESS REGULATORY REVIEW BOARD TO DEPARTMENT OF FINANCIAL INSTITUTIONS AND PROFESSIONAL STANDARDS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $369,500	- 2.00	$369,500	2.00	$0	0.00

Governor: Transfer the Office of Business Development and the Small Business Regulatory Review Board from being attached administratively to DOA to being attached administratively to the newly created Department of Financial Institutions and Professional Standards (DFIPS). Reduce funding and position authority by $123,200 in 2015-16 and $246,300 in 2016-17 and 2.0 unclassified positions annually from DOA's supervision and management general program operations appropriation in association with the transfer. Funding

reductions for the Office, which is staffed by a director and deputy director and provides support to the Board, would be allocated as follows: (a) salaries, $83,300 in 2015-16 and $166,600 in 2016-17; (b) fringe benefits, $31,900 in 2015-16 and $63,700 in 2016-17; and (c) supplies and services, $8,000 in 2015-16 and $16,000 in 2016-17. Under the transfer to DFIPS, the Office of Business Development would receive additional staff of 1.0 unclassified attorney position and 1.0 program and policy analyst position annually.

Specify that the assets and liabilities, tangible personal property (including records), and pending matters that are primarily related to the Office of Business Development and Small Business Regulatory Review Board, as determined by the Secretary of DOA, would transfer to DFIPS on the effective date of the provision (January 1, 2016). In addition, specify that all contracts entered into by DOA that are in effect prior to the transfer and are primarily related to the Office of Business Development and Small Business Regulatory Review Board, as determined by the Secretary of DOA, would remain in effect and would transfer to DFIPS. [See "Financial Institutions and Professional Standards."]

Joint Finance: Delete provision.

15. TRANSFER STATE PROSECUTORS OFFICE TO JUSTICE [LFB Paper 263]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $363,400	- 1.00	$363,400	1.00	$0	0.00

Governor: Reduce funding and position authority by $181,700 annually and 1.0 position, and transfer the State Prosecutors Office from DOA to the Department of Justice (DOJ). Further, transfer the responsibility of preparing the District Attorney's (DA) biennial budget request from DOA to DOJ. The State Prosecutors Office is responsible for coordinating administrative duties relating to the 71 DA offices. Major responsibilities of the Office include: (a) payroll; (b) fringe benefits; (c) budgets; (d) billing counties for grant-funded positions; (e) collective bargaining (restricted to salary increases only); (f) advising elected DAs on their rights and responsibilities under the state compensation plan, Office of State Employment Relations administrative code, and the statutes; (g) producing fiscal notes and bill analyses for legislative proposals affecting the DAs; and (h) serving as a central point of contact for all prosecutors. [See "Justice" and "District Attorneys."]

Joint Finance: Delete provision.

16. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$0	- 1.00	- $187,800	0.00	- $187,800	- 1.00

Governor: Delete 1.0 position identified by the administration as being generally related to marketing or communications. The position would be deleted from DOA's appropriation for printing, mail, communication, and information technology services to state agencies and veterans services (an appropriation which is renamed under the bill to include veterans services as a result of consolidating two appropriations). Associated funding ($93,900 annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. [See "Tourism."]

Joint Finance: Modify the Governor's recommendation by deleting funding associated with the positions, rather than reallocating funding to supplies and services.

Hearings and Appeals

1. CONVERT GPR HEARINGS AND APPEALS FUNDING AND POSITIONS TO PR, CONSOLIDATE ADMINISTRATIVE HEARINGS [LFB Paper 120]

	Funding	Positions
GPR	- $4,894,500	- 22.10
PR	4,894,500	22.10
Total	$0	0.00

Governor/Joint Finance: Eliminate DOA's hearings and appeals operations appropriation and associated funding and position authority of $2,447,200 GPR in 2015-16 and $2,447,300 in 2016-17 and 22.1 GPR positions annually. Provide $2,447,200 PR in 2015-16 and $2,447,300 in 2016-17 and 22.1 PR positions annually to DOA's hearings and appeals fees appropriation. Specify that the PR hearings and appeals fees appropriation is provided for the general program operations of the Division of Hearings and Appeals, rather than for services for specific state agencies. Specify that all moneys received from fees charged for hearings and appeals services provided to state agencies be credited to the appropriation. Under current law, DOA may assess the following agencies for hearings and appeals services: (a) Department of Natural Resources; (b) Department of Transportation; (c) Department of Public Instruction; (d) Department of Health Services; (e) Department of Children and Families; and (f) an agency that is not prohibited from contracting with a third party for contested case hearing services and has requested that DOA provide the services.

According to the Budget in Brief, the Governor recommends that DOA conduct all administrative hearings for state agencies, with the exception of the Public Service Commission and unemployment insurance. Under other provisions recommended by the Governor, the following agencies are specifically identified with regard to hearings and appeals services fees payable to DOA: (a) Wisconsin Historical Society; (b) Office of the Commissioner of Insurance; (c) Department of Justice; and (d) Department of Workforce Development. In addition, the administration indicates that it intends to assess the Department of Corrections for hearings and appeals services. [See entries under each agency section relating to agency-specific decisions.]

2. HEARINGS AND APPEALS EXPENDITURE AUTHORITY FOR VOCATIONAL REHABILITATION

PR	$200,000

Governor/Joint Finance: Provide $100,000 annually to DOA's hearings and appeals fees appropriation to reflect increased expenditures to provide hearings and appeals services to the Division of Vocational Rehabilitation (DVR) within the Department of Workforce Development. According to the administration, under a March, 2014, memorandum of understanding with DVR, DHA began conducting vocational rehabilitation hearings and collecting assessments from DVR. The Department indicates that the hearings have been conducted using existing expenditure authority, on a temporary basis, but that additional expenditure authority will be needed to perform this function and continue to provide hearings and appeals services to other state agencies.

3. CRIME VICTIM COMPENSATION HEARINGS AND SEXUAL ASSAULT FORENSIC EXAM HEARINGS [LFB Paper 420]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$100,000	- $100,000	$0

Governor: Repeal the requirement that DOA's Division of Hearings and Appeals (DHA) appoint a hearing examiner in the event of a contested case relating to crime victim compensation awards and awards made under the sexual assault forensic exam (SAFE) program. Under the bill, the Department of Justice (DOJ) would retain the option to contract with DHA, under which DHA would appoint a hearing examiner to conduct these contested case hearings. Provide $50,000 annually to DOA's hearings and appeals fees appropriation associated with the cost of conducting contested case hearings for DOJ.

According to the administration, the purpose of repealing the requirement that DHA appoint a hearing examiner in the event of these contested case hearings is to allow for DOJ to contract with DHA. Currently, DOJ does not pay DHA for its services relating to these contested case hearings because current law requires DHA to appoint a hearing examiner. The administration estimates that DHA would generate $50,000 annually of program revenue from contracts with DOJ, under which DHA would appoint a hearing examiner for contested case hearings relating to crime victim compensation and SAFE awards.

The Department of Justice operates the crime victim compensation program as well as the SAFE program. Under the crime victim compensation program, DOJ generally makes awards to victims of crimes to provide compensation for costs relating to: (a) medical treatment; (b) lost wages; (c) crime scene clean-up; (d) replacement of property held for evidentiary purposes; (e) funeral and burial expenses; and (f) if the victim is a homemaker, securing homemaker services. Under the SAFE program, DOJ reimburses medical providers for the costs of examining victims of sex offenses in order to gather evidence. If a crime victim or medical provider wishes to contest the award, or lack thereof, made by DOJ under either program, the crime victim or medical provider may file a petition for a contested case hearing. [See "Justice."]

Joint Finance: Delete provision.

4. PROVISION OF HEARINGS AND APPEALS AUDIO AND VIDEO RECORDINGS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $12,200	$12,200	$0

Governor: Permit DOA's Division of Hearings and Appeals, when transmitting to a court a record of a hearings and appeals decision for review, to provide a copy of an audio or video recording instead of a transcript of the recording, unless the court requests a transcript. Reduce funding to DOA's hearings and appeals fees appropriation by $6,100 annually associated with the estimated reduction in cost to provide records of decisions for court review. Under current law, the record must be typewritten or printed.

Joint Finance: Delete provision as a non-fiscal policy item.

5. HISTORIC PRESERVATION APPEALS PROCESS AND FUNDING

Governor: Permit any state executive branch agency, political subdivision, or school board to appeal to DOA's Division of Hearings and Appeals any determination of the state historic preservation officer. Require the Division to assign a hearing examiner to preside over any hearing or review relating to such an appeal. Permit the administrator of the Division to set the fees to be charged for any services rendered to the Historical Society by a hearing examiner relating to an appeal. Specify that the fee must cover the total cost of the services less any costs covered by DOA's appropriation for hearings and appeals operations. Require the Historical Society to pay the costs assigned by the administrator of the hearings and appeals division. [See "Historical Society."]

Joint Finance: Delete provision as a non-fiscal policy item.

Information Technology

1. INFORMATION TECHNOLOGY SECURITY AND DESKTOP MANAGEMENT EXPENDITURE AUTHORITY [LFB Paper 125]

PR	$5,199,000

Governor/Joint Finance: Provide $2,538,000 in 2015-16 and $2,661,000 in 2016-17 to DOA's printing, mail, communication, and information technology services to state agencies and veterans services appropriation (renamed under the bill to include veterans services to consolidate two information technology appropriations). Funding to the appropriation is from assessments to state agencies for services provided by DOA. Expenditure authority would be provided for supplies and services as follows: (a) managed security services contract ($1.5 million in 2015-16 and $1.7 million in 2016-17); (b) identity and access management ($237,000 annually); (c) secure endpoint management ($419,000 in 2015-16 and $342,000 in 2016-17); (d) distributed denial of service prevention and mitigation ($194,000 annually); and (e) security awareness training program ($188,000 annually). The Budget in Brief indicates that the additional resources are intended to decrease the risk of a security breach.

2. INFORMATION TECHNOLOGY POSITIONS AND EQUIPMENT TRANSFER AUTHORITY [LFB Paper 126]

Governor: Provide DOA with the authority to, in consultation with an executive branch agency that has a Secretary serving at the pleasure of the Governor, transfer any full-time equivalent position that is related to the provision of information technology (IT) security or desktop management services from that agency to DOA. In addition, permit DOA to transfer any incumbent employee occupying the transferred position. Require DOA to assess "the appropriate executive branch agency appropriation account" for the costs to pay salary and fringe benefits associated with the position.

Specify that the probationary status of an incumbent employee transferred under the provision would be determined by DOA, except that the employee would receive credit towards any probationary period for the time that the employee had been employed in any unclassified position immediately prior to the appointment.

Permit the Department to transfer IT equipment or systems in addition to any transferred IT security or desktop management services positions, if the equipment or system is required by DOA to carry out IT security or desktop management services for the agency. Under the bill, the Department may assess the agency for the provision of such services to that agency.

Create a continuing PR appropriation for the receipt of assessments to agencies for the purpose of funding transferred positions, employees, and equipment related to IT security or desktop management services.

Joint Finance: Delete provision.

3. SELF-FUNDED PORTAL APPROPRIATION INCREASE

PR	$2,025,100

Governor/Joint Finance: Provide $943,800 in 2015-16 and $1,081,300 in 2016-17 to the state's self-funded web portal appropriation, associated with a projected increase in revenue from portal user fees as well as an expanded offering of web-based governmental services provided to the public. Expenditures from the appropriation include the cost for DOA to provide certain information technology services to the portal. Base funding for the self-funded portal is $4,680,200 annually.

4. CONSOLIDATION OF TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY SERVICES TO STATE AGENCIES APPROPRIATIONS [LFB Paper 127]

Governor/Joint Finance: Rename DOA's annual appropriation for printing, mail, communication, and information technology services to state agencies to consolidate the appropriation with DOA's annual telecommunications services to state agencies and veterans services appropriation. The renamed appropriation would remain an annual appropriation.

Transfer $18,371,000 in 2015-16 and $18,371,700 in 2016-17 and 7.1 positions annually to the consolidated appropriation for printing, mail, communication, and information technology services to state agencies and veterans services. Repeal the telecommunications services to state agencies and veterans services appropriation. Modify the consolidated appropriation language to incorporate the additional revenue sources and expenditure purposes of the repealed telecommunications appropriation.

5. CONSOLIDATE TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT PROGRAM APPROPRIATIONS [LFB Paper 128]

Governor: Rename DOA's telecommunications access for school districts appropriation to the telecommunications access for educational agencies appropriation. Repeal and transfer segregated Universal Service Fund (USF) expenditure authority from the following appropriations to the renamed appropriation for educational agencies generally: (a) telecommunications access for private and technical colleges and libraries ($5,016,000 annually); (b) telecommunications access for private schools ($694,300 annually); (c) telecommunications access for state schools ($82,500 annually); and (d) telecommunications access for juvenile correctional facilities ($86,300 annually). Modify statutory language for the educational agencies appropriation to retain provisions of the current law technology for educational achievement (TEACH) program appropriations to be eliminated. Specify that on June 30 of each odd-numbered year, the unencumbered balance of the consolidated appropriation must be transferred to an appropriation created under the Public Service Commission to receive unexpended USF moneys for broadband expansion grants. [See "Public Service Commission."]

According to the Executive Budget Book, individual accounts would be maintained under the combined appropriation to maintain separate accounting for each category of educational agency for which a separate appropriation currently exists. The administration indicates that the

intent of the provision is to ensure that appropriated TEACH program funding is fully expended for educational telecommunications access and that each educational agency type would be allocated funding that reflects amounts appropriated under current law.

Joint Finance: Delete provision.

6. PERMIT ADDITIONAL DATA LINES OR VIDEO LINKS UNDER TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT PROGRAM APPROPRIATIONS [LFB Paper 128]

Governor/Joint Finance: Allow educational agencies to make a request to DOA under the technology for educational achievement (TEACH) program for access to more than one data line and more than one video link. Require DOA to develop criteria to use in evaluating whether to provide more than one data line and video link to an educational agency. Specify that the criteria must include an agency's current bandwidth, equipment, and readiness, as well as the available providers and any other economic development in the geographical area which the agency serves. According to the Budget in Brief, the provision is intended to assist rural schools in particular.

Under current law, an educational agency may only request either one data line or one video link through the TEACH program, which provides telecommunications access to educational agencies through discounted rates and subsidization of data line and video link installation. The administration indicates that the expanded number of data lines and video links would be funded using an existing balance in DOA's federal e-rate aid appropriation. Federal e-rate aid, which serves as an additional source of funding for educational telecommunications access, is used for TEACH program expenses when the segregated Universal Service Fund appropriations for each educational agency type have been completely expended.

7. TELECOMMUNICATIONS SERVICES TO STATE AGENCIES EXPENDITURE AUTHORITY REDUCTION [LFB Paper 127]

PR	- $16,000,000

Joint Finance: Reduce funding for telecommunications services to state agencies by $8.0 million annually associated with excess expenditure authority.

8. CHANGES TO APPROPRIATION FOR TELECOMMUNICATIONS ACCESS FOR SCHOOL DISTRICTS [LFB Paper 128]

SEG	- $3,000,000

Joint Finance: Reduce expenditure authority for DOA's telecommunications access for school districts appropriation by $2.0 million SEG in 2015-16 and $1.0 million SEG in 2016-17 and provide equal amounts of expenditure authority from the segregated Universal Service Fund to a newly created appropriation under the Department of Public Instruction for state support for the digital learning collaborative established under ss. 115.28(53) and 115.28(54) of the statutes.

Rename the telecommunications access for school districts appropriation to the telecommunications access, infrastructure grants, and teacher training grants for school districts appropriation.

Allow DOA to provide competitive block grants to school districts from the telecommunications access, infrastructure grants, and teacher training grants for school districts appropriation for information technology infrastructure in 2015-16 and 2016-17 on the basis of an application which provides information regarding: (a) specific infrastructure, including equipment, that would be purchased by the district; (b) the plan for purchase, installation, and utilization of the infrastructure; and (c) the readiness of the school district to utilize the infrastructure. Specify that an applicant school district's membership in the previous school year divided by the school district's area in square miles must be 13 or less to receive grant funding under this provision. Further, specify that the maximum amount a school district may receive over the 2015-17 biennium for information technology infrastructure would be determined on the basis of membership as follows: $30,000 for districts with fewer than 750 students; $40 per student for districts with between 750 and 1,500 students; and $60,000 for districts with more than 1,500 students. Specify that no more than $7,500,000 SEG may be expended in each of 2015-16 or 2016-17 for this purpose. Specify that schools with a greater percentage of enrolled students who receive free or reduced price lunch be given priority in determining which districts receive grant funding. Sunset the grant program under this section after June 30, 2017.

Direct DOA to provide grants to consortia of three or more school districts that apply to receive funding for the cost of training teachers on the use of educational technology. Specify that funding provided to a consortium would be the sum of per-district funding amounts determined by the following formula: $7,500 for districts with fewer than 750 students; $10 per student for districts with between 750 and 1,500 students; and $15,000 for districts with more than 1,500 students. Specify that each school district's membership in the previous school year divided by the school district's area in square miles must be 13 or less for a consortium to receive grant funding under this provision. Specify that no more than $1,500,000 SEG annually may be expended for teacher training grants. Further, specify that DOA would prorate grants provided if the amount of grants as determined by the formula specified would exceed $1,500,000.

Division of Gaming

1. TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE [LFB Paper 130]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tribal	$47,582,300	- $1,318,500	$46,263,800

Governor: Appropriate $26,925,900 in 2015-16 and $25,713,800 in 2016-17 in tribal gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) allocations totaling $24,727,900 in 2015-16 and $23,517,800 in 2016-17 to various state agencies for programs unrelated to tribal gaming regulation or law enforcement; and (b) appropriations for the regulation of tribal gaming in DOA [$2,053,400 in 2015-16 and $2,051,200 in 2016-17], and tribal gaming law enforcement in the Department of Justice (DOJ) [$144,600 in 2015-16 and $144,800 in 2016-17].

Tribal revenue paid to the state is based on provisions under the current state-tribal gaming compacts. Under the compacts, tribes are scheduled to make payments to the state based on a percentage of net revenue (gross revenue minus winnings). The percentages used to calculate state payments vary by tribe and, in some cases, may vary by year for the same tribe.

Under current law, Indian gaming receipts are credited to: (a) the DOJ Indian gaming law enforcement appropriation; (b) the DOA general program operations appropriation relating to Indian gaming regulation; and (c) a DOA appropriation for Indian gaming receipts in the amount necessary to make all the transfers specified under the appropriation to other state programs. Indian gaming receipts not otherwise credited to, or expended from, these appropriation accounts are deposited in the general fund.

Under the bill, tribal payments to the state for gaming in the 2015-17 biennium are projected to total $49,337,400 in 2015-16 and $48,782,600 in 2016-17. The general fund condition statement included in the bill shows tribal gaming general fund revenue totaling $23,462,500 in 2015-16 and $24,119,800 in 2016-17, and the biennial total of these amounts ($47,582,300) is shown above. The calculation for the general fund tribal revenue under the bill is summarized in the following table:

2015-17 Tribal Gaming General Fund Revenue
Governor

	2015-16	2016-17
Estimated Tribal Payments	$49,337,400	$48,782,600
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	149,700	149,700
Unobligated Funds Reversions	551,000	551,000
Total Revenue	$50,388,100	$49,833,300
Program Allocations to State Agencies	26,925,600	25,713,500
Tribal Gaming General Fund Revenue	$23,462,500	$24,119,800

As noted, allocations to state agencies, including allocations to DOA and DOJ for regulation and law enforcement, total $26,925,900 in 2015-16 and $25,713,800 in 2016-17 under the bill. [It should be noted that the program allocations to state agencies displayed in the table above are $300 lower each year than the sum of the allocations provided by the Governor. Under the bill, the appropriation for law enforcement services at the Kickapoo Valley Reserve is transferred from the Department of Tourism to the Department of Natural Resources. Standard

budget adjustments totaling -$300 annually were provided for the appropriation under the Department of Tourism, but were not ultimately applied to the appropriation under the Department of Natural Resources, which accounts for the difference. The administration indicates that an errata will be submitted to include the standard budget adjustments.]

Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 15 state agencies, in 44 program areas, including the DOA regulation and DOJ enforcement appropriations. Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

Of these allocations, all are to appropriation accounts authorized under current law [item #5 and item #7 in the table below currently exist as a single Department of Corrections appropriation of $75,000 annually, which would be transferred under the bill in two phases to a renamed appropriation for the same purpose under the Department of Children and Families; and item #31 in the table below is currently an appropriation under the Department of Tourism, as noted previously, which the Governor recommends be transferred to the Department of Natural Resources]. Of the 44 program allocations, 29 are identical amounts to those provided in the 2013-15 biennium. Of the 15 allocations that changed, nine were affected by standard budget adjustments or adjustments to the base only [identified in the table below as items #19, 22, 26, 27, 29, 30, 31, 42, and 46]. The remaining six are: (a) Administration UW-Green Bay and Oneida Tribe programs assistance grants [item #2, reduction of $247,500 in 2016-17 due to the creation of the UW System Authority]; (b) Tourism general tourism marketing [item #35, reduction of $475,000 annually to eliminate required transfers of specific amounts to specific organizations]; (c) Ashland full-scale aquaculture demonstration facility debt service payments [item #38, a reduction of $6,400 in 2015-16 and $62,900 in 2016-17 for debt service payment reestimates]; (d) Ashland full-scale aquaculture demonstration facility operational costs [item #39, a reduction of $417,500 in 2016-17 due to the creation of the UW System Authority]; (e) University of Wisconsin-Madison physician and health care provider loan assistance [item #40, a reduction of $488,700 in 2016-17 due to the creation of the UW System Authority]; and (f) Administration Indian gaming operations [item #45, increases of $43,500 in 2015-16 and $46,300 in 2016-17 for standard budget adjustments and increases of $33,900 in 2015-16 and $28,900 in 2016-17 for a reestimate of the cost to operate and maintain the gaming integrated regulatory information system]. One program area identified in the table [item #33] is not appropriated funding in the 2015-17 biennium, but is an existing appropriation account under current law that can only be funded with tribal gaming revenue.

2015-17 Tribal Gaming Revenue Appropriations
Governor

	Agency	Program Revenue 2015-16	Program Revenue 2016-17	Purpose
1	Administration	$563,200	$563,200	County management assistance grant program.
2	Administration	247,500	0	UW-Green Bay and Oneida Tribe programs assistance grants.

Agency		Program Revenue 2015-16	Program Revenue 2016-17	Purpose
3	Administration	79,500	79,500	Tribal governmental services and technical assistance.
4	Children and Families	395,000	395,000	Indian child high-cost out-of-home care placements.
5	Children and Families	37,500	75,000	Interagency and intra-agency aids for tribal delinquency placements.
6	Corrections	50,000	50,000	American Indian tribal community reintegration program.
7	Corrections	37,500	0	Indian juvenile out-of-home care placements.
8	Health Services	445,500	445,500	Elderly nutrition; home-delivered and congregate meals.
9	Health Services	106,900	106,900	American Indian health projects.
10	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
11	Health Services	445,500	445,500	Indian substance abuse prevention education.
12	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
13	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
14	Health Services	133,600	133,600	Minority health program and public information campaign grants.
15	Health Services	22,500	22,500	American Indian diabetes and control.
16	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
17	Higher Educational Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
18	Higher Educational Aids Board	454,200	454,200	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
19	Historical Society	236,600	236,600	Northern Great Lakes Center operations funding.
20	Historical Society	210,300	210,300	Collection preservation storage facility.
21	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
22	Justice	84,800	84,900	County-tribal law enforcement programs: state operations.
23	Justice	490,000	490,000	County law enforcement grant program.
24	Justice	695,000	695,000	Tribal law enforcement grant program.
25	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
26	Natural Resources	93,000	93,000	Management of an elk reintroduction program.
27	Natural Resources	154,700	154,700	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.

	Agency	Program Revenue 2013-14	Program Revenue 2014-15	Purpose
28	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
29	Natural Resources	1,156,600	1,156,600	State snowmobile enforcement program, safety training and fatality reporting.
30	Natural Resources	78,200	78,200	Reintroduction of whooping cranes.
31	Natural Resources	66,600	66,600	Law enforcement services at the Kickapoo Valley Reserve.
32	Public Instruction	222,800	222,800	Tribal language revitalization grants.
33	Shared Revenue	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2015-17 biennium.)
34	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
35	Tourism	8,492,100	8,492,100	General tourism marketing.
36	Tourism	24,900	24,900	State aid for the arts.
37	Transportation	247,500	247,500	Elderly transportation grants.
38	University of Wisconsin System (Building Commission)	256,700	200,200	Ashland full-scale aquaculture demonstration facility debt service payments.
39	University of Wisconsin System	417,500	0	Ashland full-scale aquaculture demonstration facility operational costs.
40	University of Wisconsin-Madison	488,700	0	Physician and health care provider loan assistance.
41	Veterans Affairs	466,200	466,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
42	Veterans Affairs	96,500	96,500	American Indian services veterans benefits coordinator position.
43	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
44	Workforce Development	314,900	314,900	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	$24,727,900	$23,517,800	
45	Administration	2,053,400	2,051,200	General program operations for Indian gaming regulation under the compacts.
46	Justice	144,600	144,800	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	$2,198,000	$2,196,000	
	Total Appropriations	$26,925,900	$25,713,800	

Joint Finance: Reestimate net tribal gaming revenue available for deposit to the general fund by -$184,100 in 2015-16 and -$1,134,400 in 2016-17 associated with the following changes shown in the table below: (a) estimated tribal gaming payments to the state (increases of $571,100 in 2015-16 and $848,800 in 2016-17); (b) vendor certification revenue (decrease of $9,100 annually); (c) unobligated funds reversions (decrease of $82,900 annually); (d) program allocations to state agencies (increases of $575,000 in 2015-16 and $1,728,700 in 2016-17 relative to the allocations used in calculating GPR-Tribal revenue under the bill); and (e) program reserves (increase of $88,200 in 2015-16 and $162,500 in 2016-17).

2015-17 Tribal Gaming General Fund Revenue
Joint Finance

	2015-16	2016-17
Estimated Tribal Payments	$49,908,500	$49,631,400
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	140,600	140,600
Unobligated Funds Reversions	468,100	468,100
Total Revenue	$50,867,200	$50,590,100
Program Allocations to State Agencies	$27,500,600	$27,442,200
Program Reserves	88,200	162,500
Total Expenditures	$27,588,800	$27,604,700
Tribal Gaming General Fund Revenue	$23,278,400	$22,985,400

Several changes were made to allocations recommended by the Governor, and are shown in the list of allocations that follows: (a) restored funding of $1,153,900 to three allocations associated with the University of Wisconsin System and campuses that would have been eliminated in 2016-17 under the creation of the public authority (Item #2, $247,500 for UW-Green Bay and Oneida Tribe programs assistance grants; Item #40, $417,500 for the aquaculture demonstration facility; and Item #41, $488,700 for physician and health care provider loan assistance); (b) restored $475,000 annually to Tourism for general marketing and delayed the elimination of specific earmarks under the appropriation to July 1, 2017 (Item #36); (c) provided an additional $100,000 annually for the aquaculture demonstration facility (Item #40); (d) provided $405,000 annually to a newly created appropriation under the Higher Educational Aids Board for payments to tribal colleges (Item #19); (e) established the Kickapoo Valley Reserve Management Board as a separately budgeted agency to which $66,300 annually, including a -$300 standard budget adjustment that had not been included under the Governor's recommended allocations, would be provided from tribal gaming revenue for law enforcement services (Item #26, an allocation that exists under Tourism under current law); and (f) reduced funding under Veterans Affairs by $405,000 annually associated with tuition reimbursement for veterans at tribal colleges. [See entries under each agency section relating to agency-specific decisions.]

2015-17 Tribal Gaming Revenue Appropriations
Joint Finance

	Agency	Program Revenue 2015-16	Program Revenue 2016-17	Purpose
1	Administration	$563,200	$563,200	County management assistance grant program.
2	Administration	247,500	247,500	UW-Green Bay and Oneida Tribe programs assistance grants.
3	Administration	79,500	79,500	Tribal governmental services and technical assistance.
4	Children and Families	395,000	395,000	Indian child high-cost out-of-home care placements.
5	Children and Families	37,500	75,000	Interagency and intra-agency aids for tribal delinquency placements.
6	Corrections	50,000	50,000	American Indian tribal community reintegration program.
7	Corrections	37,500	0	Indian juvenile out-of-home care placements.
8	Health Services	445,500	445,500	Elderly nutrition; home-delivered and congregate meals.
9	Health Services	106,900	106,900	American Indian health projects.
10	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
11	Health Services	445,500	445,500	Indian substance abuse prevention education.
12	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
13	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
14	Health Services	133,600	133,600	Minority health program and public information campaign grants.
15	Health Services	22,500	22,500	American Indian diabetes and control.
16	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
17	Higher Educational Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
18	Higher Educational Aids Board	454,200	454,200	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
19	Higher Educational Aids Board	405,000	405,000	Tribal college payments.
20	Historical Society	236,600	236,600	Northern Great Lakes Center operations funding.
21	Historical Society	210,300	210,300	Collection preservation storage facility.
22	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
23	Justice	84,800	84,900	County-tribal law enforcement programs: state operations.
24	Justice	490,000	490,000	County law enforcement grant program.

	Agency	Program Revenue 2015-16	Program Revenue 2016-17	Purpose
25	Justice	695,000	695,000	Tribal law enforcement grant program.
26	Kickapoo Valley Reserve Management Board	66,300	66,300	Law enforcement services at the Kickapoo Valley Reserve.
27	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
28	Natural Resources	93,000	93,000	Management of an elk reintroduction program.
29	Natural Resources	154,700	154,700	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
30	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
31	Natural Resources	1,156,600	1,156,600	State snowmobile enforcement program, safety training and fatality reporting.
32	Natural Resources	78,200	78,200	Reintroduction of whooping cranes.
33	Public Instruction	222,800	222,800	Tribal language revitalization grants.
34	Shared Revenue	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2015-17 biennium.)
35	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
36	Tourism	8,967,100	8,967,100	General tourism marketing (including specific earmarks which would sunset July 1, 2017).
37	Tourism	24,900	24,900	State aid for the arts.
38	Transportation	247,500	247,500	Elderly transportation grants.
39	University of Wisconsin System (Building Commission)	256,700	200,200	Ashland full-scale aquaculture demonstration facility debt service payments.
40	University of Wisconsin System	517,500	517,500	Ashland full-scale aquaculture demonstration facility operational costs.
41	University of Wisconsin-Madison	488,700	488,700	Physician and health care provider loan assistance.
42	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits.
43	Veterans Affairs	96,500	96,500	American Indian services veterans benefits coordinator position.
44	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
45	Workforce Development	314,900	314,900	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	$25,302,600	$25,246,200	
46	Administration	2,053,400	2,051,200	General program operations for Indian gaming regulation under the compacts.

Agency		Program Revenue 2015-16	2016-17	Purpose
47	Justice	144,600	144,800	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	$2,198,000	$2,196,000	
	Total Appropriations	$27,500,600	$27,442,200	

2. GAMING INFORMATION SYSTEM REESTIMATE

PR	$62,800

Governor/Joint Finance: Provide $33,900 in 2015-16 and $28,900 in 2016-17 to reestimate the cost to operate and maintain the gaming integrated regulatory information system to improve casino compliance with inventory reporting requirements. According to DOA, the cost to operate and maintain the gaming system, which has base funding of $25,000, is higher than had been anticipated when expenditure authority was provided in the 2013-15 biennial budget. Funding would be provided to DOA's Indian gaming general program operations appropriation as supplies and services for ongoing maintenance of hardware and database software, and to host the gaming system and stored confidential data on a secure server.

3. PROGRESSIVE RAFFLES

Joint Finance: Permit an organization with a Class B raffle license to conduct a progressive raffle, defined as a raffle in which a series of drawings is held and in which the money collected in ticket sales, from which a prize is awarded, is carried over to the succeeding drawing if the drawing winner does not select a prize card from among a set of cards.

Specify that a drawing winner would select from a set of cards each enclosed in separate envelopes, one of which is designated as a prize card. In addition, specify that: (a) if a prize card is not selected, tickets would be sold for a new drawing, in which tickets sold for a previous drawing would be ineligible; and (b) if a drawing winner selects the prize card, the player wins a prize consisting of 50% of the total amount of money collected in ticket sales for all drawings in the raffle. Further, specify that the organization conducting the raffle would keep the remaining 50% of ticket sales and that no drawings would be held after a drawing winner selected the prize card.

Require an organization conducting a progressive raffle to: (a) establish the price of a ticket for a drawing in the raffle before tickets for the first drawing are sold and sell all tickets for all drawings in the raffle for the same price; (b) during the raffle, keep all unselected cards in a locked container to which only the officers of the organization have access; and (c) display all cards selected by previous drawing winners before selling tickets for a drawing.

Under state statute, DOA may issue a Class A license for the conduct of a raffle in which some or all of the tickets for that raffle are sold on days other than the day that the drawing occurs and in which equal shares of a single ticket may be sold to one or more purchasers. The Department may issue a Class B license for the conduct of a raffle in which all of the tickets for that raffle are sold on the day that the drawing occurs or within the 24 hours immediately preceding the start of the drawing.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$53,909,800	$63,665,700	$53,574,000	- $10,091,700	- 15.9%	- $335,800	- 0.6%
FED	29,286,600	25,579,900	23,960,900	- 1,619,000	- 6.3	- 5,325,700	- 18.2
PR	45,562,600	84,300,900	48,729,400	- 35,571,500	- 42.2	3,166,800	7.0
SEG	65,389,200	64,102,400	65,315,800	1,213,400	1.9	- 73,400	- 0.1
TOTAL	$194,148,200	$237,648,900	$191,580,100	- $46,068,800	- 19.4%	- $2,568,100	- 1.3%
BR		$7,000,000	$7,000,000				

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	211.00	342.36	207.60	- 134.76	- 3.40
FED	85.12	88.77	84.77	- 4.00	- 0.35
PR	196.47	487.56	220.02	- 267.54	23.55
SEG	131.30	130.35	132.40	2.05	1.10
TOTAL	623.89	1,049.04	644.79	- 404.25	20.90

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 135]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$863,800	- $211,100	$652,700
FED	420,700	0	420,700
PR	1,113,800	185,500	1,299,300
SEG	75,500	0	75,500
Total	$2,473,800	- $25,600	$2,448,200

Governor: Provide adjustments to the agency base budget for the following: (a) full

funding of salaries and fringe benefits for continuing positions ($485,500 GPR, $338,600 FED, $825,300 PR, and $155,900 SEG annually); (b) reductions for staff turnover (-$265,000 GPR and -$82,200 PR annually); (c) reclassifications and semiautomatic pay progressions ($3,600 GPR annually, $4,800 FED annually, $27,100 PR in 2015-16 and $52,400 PR in 2016-17, and $39,200 SEG in 2015-16 and $62,700 SEG in 2016-17); (d) full funding of lease and directed moves costs ($460,100 GPR in 2015-16 and $490,500 GPR in 2016-17, -$135,600 FED in 2015-16 and -$130,500 FED in 2016-17, -$234,000 PR in 2015-16 and -$217,900 PR in 2016-17, and $126,900 SEG in 2015-16 and $144,300 SEG in 2016-17); and (e) removal of non-continuing elements from the agency base (-$267,500 GPR and -$304,700 SEG annually).

Non-continuing elements include the removal of the following: (a) $304,700 petroleum inspection SEG, associated with one-time costs in 2013-15 for transferring programs for petroleum product testing and flammable-product storage tank regulation from the Department of Safety and Professional Services to DATCP; and (b) $267,500 GPR for one-time funding of agency lease costs for the State Agriculture Laboratory, which occupied a new facility beginning in January of 2014. However, the bill would provide $403,600 GPR in 2015-16 and $411,900 GPR in 2016-17 for ongoing State Agriculture Laboratory lease costs under item (d) above for full funding of lease costs.

Joint Finance: Delete $104,400 GPR in 2015-16 and $106,700 GPR in 2016-17 and provide $91,700 PR in 2015-16 and $93,800 PR in 2016-17 under State Agriculture Laboratory lease costs to reflect the balancing of total facility rental costs between GPR and PR sources.

2. LONG-TERM VACANCY ELIMINATION [LFB Paper 137]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $241,400	- 1.60	$132,400	0.00	- $109,000	- 1.60
FED	0	- 0.35	- 46,400	0.00	- 46,400	- 0.35
PR	0	- 9.40	- 1,145,400	0.00	- 1,145,400	- 9.40
SEG	0	- 0.95	- 136,600	0.00	- 136,600	- 0.95
Total	- $241,400	- 12.30	- $1,196,000	0.00	- $1,437,400	-12.30

Governor: Delete 12.3 positions in the classified service that have been vacant for more than one year.

Additionally, delete funding of $120,700 GPR annually, including $68,500 annually for positions associated with livestock premises registration and $52,200 for DATCP central administrative operations. The position associated with the livestock premises registration program was authorized under 2011 Act 278 but has not been filled since that time. Instead, $250,000 GPR annually has been paid to the Wisconsin Livestock Identification Consortium (WLIC) to administer the state program on a contract basis. The position was provided to allow DATCP to administer the livestock premises registration program internally in the event a contractor could not be secured to administer the program.

Joint Finance: Modify the Governor's recommendation by deleting the following amounts associated with salaries and fringe benefits of FED, PR and SEG long-term vacancies: (a) $23,200 FED annually; (b) $572,700 PR annually; and (c) $68,300 SEG annually. In addition, restore $66,200 GPR annually for livestock premises registration, to provide a total of $250,000 each year for the WLIC contract.

The following table shows, by appropriation or program, positions recommended for deletion by the Governor, as well as annual net associated funding deleted:

DATCP Long-Term Vacancy Reductions

Appropriation	Fund Source	Positions	Annual Reduction
Livestock premises registration	GPR	1.00	$2,300
Central administrative operations	GPR	0.60	52,200
Grain inspection and certification	PR	4.00	195,600
Dog licensing and dog breeder regulation	PR	2.00	126,100
Computer equipment systems, staff and services	PR	1.00	87,500
Agricultural resource management services	PR	1.00	68,800
Fruit and vegetable inspection and grading	PR	0.65	34,300
Dairy trade regulation	PR	0.40	32,200
Public warehouse regulation	PR	0.35	28,200
Soil and water resource management operations	SEG	0.70	48,200
Unfair sales act enforcement	SEG	0.25	20,100
Federal funds – U.S. Department of Agriculture aids	FED	0.30	20,600
Federal indirect cost reimbursements	FED	0.05	2,600
	Total	12.30	$718,700

3. STATE LABORATORY OF HYGIENE [LFB Papers 675 and 686]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$4,812,200	56.86	- $4,812,200	- 56.86	$0	0.00
PR	29,778,500	252.89	- 29,778,500	- 252.89	0	0.00
Total	$34,590,700	309.75	- $34,590,700	- 309.75	$0	0.00

Governor: Transfer the State Laboratory of Hygiene from the University of Wisconsin System to DATCP, effective July 1, 2016. The bill would transfer to or create in DATCP the following appropriations and positions beginning in 2016-17:

State Laboratory of Hygiene Transfer

Appropriation	Fund Source	2016-17	Positions
General program operations	GPR	$4,812,200	56.86
Program revenue	PR	21,877,000	159.60
Drivers	PR	1,605,900	18.90
State agency services (Fees)	PR	6,295,600	74.39
	Total	$34,590,700	309.75

Of the positions the bill would transfer, 137.83 would be classified positions (46.86 GPR and 90.97 PR), 163.92 would be unclassified positions (7.4 GPR and 156.52 PR), and 8.0 would be project positions (2.6 GPR and 5.4 PR). The bill would include directives: (a) transferring all assets, liabilities, records and tangible personal property primarily related to the Laboratory of Hygiene, as determined by the Secretary of the Department of Administration (DOA), from the UW System to DATCP; and (b) transferring to DATCP all incumbent UW System employees primarily related to the Laboratory of Hygiene, with employees retaining all comparable rights and employment statuses held as of the date of transfer. The bill would specify the Laboratory of Hygiene director may continue to serve in that capacity.

In addition, the bill would administratively attach the Laboratory of Hygiene Board to DATCP. The Board's 11-person membership would not be changed. Under a limited administrative attachment, the Laboratory of Hygiene Board would retain the authority to direct and supervise the operations of the Laboratory of Hygiene, including exercising regulatory and rule-making functions, planning operations, and determining the Laboratory of Hygiene's fees. DATCP would provide limited administrative functions, including budget, payroll, personnel management, and accounting services. The bill would continue to provide that the Board is to appoint a director, with recommendations provided by the Secretary of Agriculture, Trade and Consumer Protection, and to appoint other professional staff. Technical staff would continue to serve in the classified service and be employed under the director of the Laboratory of Hygiene.

The Laboratory of Hygiene is generally responsible for providing services related to water quality, air quality, public health and contagious diseases. The Laboratory of Hygiene currently occupies three locations in Madison, one of which is co-located with the State Agriculture Laboratory adjacent to DATCP's main offices. The State Agriculture Laboratory provides services relating to food safety, animal health and the impacts of agricultural chemicals on water quality.

State Agency Services. The statutes currently provide the Laboratory of Hygiene discretion in assessing fees for tests conducted on behalf of other units of government. Provisions of the bill would specify the Laboratory of Hygiene is required to charge the Departments of Health Services and Natural Resources fees sufficient to reimburse costs incurred in providing services to the agencies. (Additional information is available under "Health Services -- Public Health and Other Programs" and "Natural Resources -- Departmentwide.") The bill would provide fees may be charged to any other state agency, but it would not immediately be required. The DATCP PR appropriation for state agency services would be

newly created by the bill for these purposes. The appropriation would be continuing, meaning the Laboratory of Hygiene could expend all monies received, subject to approval by DOA.

Additionally, the bill would require the Laboratory of Hygiene to do the following in its biennial budget submission for the 2017-19 biennium: (a) identify state agencies to which services were provided in the 2016-17 fiscal year, but to whom fees were not assessed; (b) for identified agencies not assessed fees, provide the cost of services unbilled; and (c) include a proposal for assessing fees to all state agencies beginning in 2017-18.

Additional information on the Laboratory of Hygiene base budget is available under "University of Wisconsin System."

Joint Finance: Delete provisions transferring the State Laboratory of Hygiene to DATCP, and delete provisions related to state agency payments for laboratory services.

4. WISCONSIN VETERINARY DIAGNOSTIC LABORATORY [LFB Paper 675]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$4,976,800	77.90	- $4,976,800	- 77.90	$0	0.00
FED	1,572,600	4.00	- 1,572,600	- 4.00	0	0.00
PR	4,824,700	12.60	- 4,824,700	- 12.60	0	0.00
Total	$11,374,100	94.50	- $11,374,100	- 94.50	$0	0.00

Governor: Transfer the Wisconsin Veterinary Diagnostic Laboratory (WVDL) from the University of Wisconsin System to DATCP, effective July 1, 2016. The bill would transfer to DATCP the following appropriations and positions:

Wisconsin Veterinary Diagnostic Laboratory Transfer

Appropriation	Fund Source	2016-17	Positions
General program operations	GPR	$4,976,800	77.90
Fees; non-state agencies	PR	4,015,100	4.60
Fees; state agencies	PR	809,600	8.00
Federal funds	FED	1,572,600	4.00
	Total	$11,374,100	94.50

Of the positions the bill would transfer, 77.5 would be classified positions (64.6 GPR, 12.1 PR and 0.8 FED), 13.0 would be unclassified positions (10.3 GPR and 2.7 FED), and 4.0 would be project positions (3.0 GPR, 0.5 PR and 0.5 FED). The bill would include directives: (a) transferring all assets, liabilities, records and tangible personal property primarily related to the WVDL, as determined by the DOA Secretary, from the UW System to DATCP; and (b) transferring to DATCP all incumbent UW System employees primarily related to the WVDL, with employees retaining all comparable rights and employment statuses held as of the date of

transfer. The bill would specify the WVDL director may continue to serve in that capacity.

In addition, the bill would attach the Veterinary Diagnostic Laboratory Board to DATCP. The Board's nine-person membership would not be changed. Under a limited administrative attachment, the Veterinary Diagnostic Laboratory Board would retain the authority to direct and supervise the operations of the WVDL, including exercising regulatory and rule-making functions, planning operations, and determining the WVDL's fees. DATCP would provide limited administrative functions, including budget, payroll, personnel management, and accounting services. One exception to the WVDL Board's powers, both under current law and the bill, would be appointment of the WVDL director. The bill would specify the Secretary of Agriculture, Trade and Consumer Protection is to appoint a director, in consultation with the Board; under current law, the statutes give the appointment authority to the UW-Madison Chancellor.

Under current law, DATCP administers programs for the surveillance, containment and eradication of diseases affecting state animal populations, while the WVDL is responsible for providing analytic and diagnostic services to assist in implementing animal health programs in the field. The WVDL was previously part of DATCP, but was transferred to the UW System in 2000. Additional information is available under "University of Wisconsin System."

Agency Services. The statutes generally require the WVDL to assess fees for services it provides, except WVDL may not assess fees to DATCP or U.S. Department of Agriculture programs responsible for animal health. The bill would continue these provisions. All WVDL PR appropriations transferred to DATCP would be continuing appropriations, allowing WVDL to expend all monies received, subject to approval by DOA.

Additionally, the bill would require the WVDL to do the following in its biennial budget submission for the 2017-19 biennium: (a) identify state agencies to which services were provided in the 2016-17 fiscal year, but to whom fees were not assessed; (b) for identified agencies not assessed fees, provide the cost of services unbilled; and (c) include a proposal for assessing fees to all state agencies beginning in 2017-18.

Joint Finance: Delete provision.

5. VETERINARY EXAMINING BOARD [LFB Paper 576]

PR-REV	$780,000

Governor: Transfer the Veterinary Examining Board (VEB) from the Department of Safety and Professional Services (DSPS) to DATCP, effective July 1, 2015, or the day following the bill's publication, whichever is later. Renumber Chapter 453 of the statutes (Veterinary Examining Board) as Chapter 89. Create in DATCP's animal health program a continuing PR appropriation for receipt of veterinary credentialing fees, and transfer to the DATCP appropriation the portion of the unencumbered balance in DSPS's general operations PR appropriation that is attributable to the Veterinary Examining Board. Require DATCP to promulgate an administrative rule establishing veterinary license, certification or permit fees based on DATCP's cost of administering the veterinary regulatory program. Also, specify veterinary credentialing fees in effect on the bill's effective date remain in effect until repealed or

modified by DATCP.

Under current law, DSPS veterinary licensing fees are $75 for initial licensure, in addition to separate testing and examination fees, and $160 for license renewal. Veterinarians and veterinary technicians are to have credentials renewed December 15 of each odd-numbered year; this means license fee revenues, most of which are renewal fees, are received once each biennium. Assuming the continuation of current DSPS fee levels, revenue to DATCP would be estimated at approximately $780,000 in the 2015-17 biennium. The bill would not estimate expenditures in either year, but as a continuing appropriation, DATCP would be authorized to expend all monies received subject to approval by DOA.

The bill would provide DATCP with authority to investigate suspected instances of persons practicing veterinary medicine without proper credentials, and provide DATCP authority to issue special orders or seek injunctive relief in Circuit Courts for such instances. The bill also would specify the following penalties for violations of DATCP enforcement actions: (a) for violation of a special order, a forfeiture not exceeding $10,000 for each day of offense; and (b) for violation of a temporary restraining order or injunction, a fine not less than $25 nor more than $5,000, a one-year county jail sentence, or both.

Further, the bill provides standard directives transferring from DSPS to DATCP all assets, liabilities, tangible personal property, current contracts and pending matters, as determined by the DOA Secretary, related to the Veterinary Examining Board. No positions would be transferred from DSPS to DATCP. Additional information is available under "Safety and Professional Services."

Joint Finance: Adopt the Governor's recommendation. In addition, amend the bill as follows:

Fees. In addition to requirements that DATCP determine, by administrative rule, fees for initial issuance or renewal of a credential, specify the Department is to notify each credential holder of any fee adjustment that would affect a credential holder.

Background Investigations of Applicants. Specify the VEB may conduct investigations to determine whether applicants for licenses, certifications or permits: (a) satisfy eligibility requirements for the credential; or (b) have an arrest or conviction record. Additionally, specify the VEB may require an applicant to provide any information necessary for such an investigation.

Requirements of Credential Holders. Specify the VEB may investigate whether an applicant for, or holder of, a license, certification or permit has been charged with or convicted of a crime. Also, require a person holding a VEB-issued credential to notify the Board of any felony or misdemeanor conviction within 48 hours of entry of the judgment of conviction. Specify the VEB is to determine by rule what information and documentation the credential holder is to submit with such a notice of conviction.

Competency Determinations. Provide a court may declare a person incapable of applying for a veterinary credential if the court determines the person is incompetent under Chapter 54 of

the statutes (guardianships and conservatorships). In addition, specify DATCP shall deny an application for a veterinary credential or credential renewal, or revoke such a credential for a holder, if the Department receives a record of a declaration of incompetency.

The amendments are intended to clarify DATCP authorities consistent with those powers provided to DSPS for administration of credentialing boards under current law.

6. TRANSFER PUBLIC HEALTH REGULATORY FUNCTIONS FROM THE DEPARTMENT OF HEALTH SERVICES [LFB Paper 381]

	Funding	Positions
PR	$3,432,500	35.00

Governor: Transfer regulatory authorities for the following public establishments from the Department of Health Services (DHS) to DATCP, effective July 1, 2016: (a) restaurants; (b) vending machines and associated storage areas for foods to be sold via vending machines; (c) lodging establishments, including hotels, motels, bed-and-breakfast operations, tourist rooming houses, campgrounds, camping resorts and recreational or educational camps; and (d) public swimming pools.

In addition, transfer 35.0 classified positions from DHS to DATCP for administration of the regulatory programs. Provide DATCP expenditure authority of $3,432,500 beginning in 2016-17 in an existing PR appropriation for food regulation, and specify the appropriation is for DATCP regulation of food, lodging and recreational establishments. (Corresponding expenditure authority of $3.4 million would be deleted in DHS beginning in 2016-17. See the entry under "Health Services – Public Health and Other Programs" for more information.)

In addition to the funding and position transfers, the bill would specify a new retail food establishment, including a restaurant under the bill, could not be issued a license to operate without completing a pre-licensing inspection; this is intended to codify current provisions in DATCP administrative rules. The bill also includes directives: (a) transferring all assets, liabilities, tangible personal property, current contracts and pending matters related to the regulatory programs from DHS to DATCP, as determined by the DOA Secretary; (b) providing for the transfer from DHS to DATCP of incumbent employees primarily associated with the regulatory programs, as determined by the DOA Secretary, and preserving all rights and statuses employees may have earned prior to transfer; and (c) providing DHS-promulgated administrative rules and orders remain in effect until their specified expiration date or until amended or repealed by DATCP. The bill also would specify that DATCP would have authority to promote cooperation and formal, collaborative agreements among the following entities to further the enforcement of DATCP laws and regulations: (a) the State of Wisconsin; (b) local health departments; (c) Native American tribes and bands in the state; and (d) the federal Indian Health Service.

Under current law, Chapter 97 of the statutes provides DATCP regulatory authority in ensuring the safety of food for human consumption throughout its production and manufacture. For these purposes, DATCP is authorized to inspect and license several categories of food-related establishments, including food processing plants, food warehouses, and retail establishments such as grocery stores. DATCP is authorized by statute to designate certain local

health departments as agents for conducting inspection and licensing of retail food establishments, and DHS has similar delegation authority for restaurants, vending operations, hotels and recreational establishments. DATCP also under current law has regulatory authority for dairy farms, milk haulers and dairy processors, and the Department inspects certain facilities at which meat and poultry is slaughtered and processed. The provision is intended to consolidate food-related and other public health regulatory responsibilities in one state agency, under Chapter 97 of the statutes.

Joint Finance: Adopt the Governor's recommendation. Additionally, specify DATCP, DHS, or any local health department designated as an agent may not modify food safety licensing fees established under Chapters 97 or 254 and in effect as of the bill's effective date. Specify the limitation on fee adjustments is in effect beginning on the bill's effective date and ending July 1, 2017.

Further, create in DATCP a food safety advisory council, effective July 1, 2016. Provide the council is to consist of representatives of entities regulated under Subchapter II (food processing and retail food establishments) of Chapter 97 of the statutes, as created by the bill. Provide council members are to be appointed by the DATCP Secretary, to serve at the Secretary's pleasure. Specify the council is to meet at least quarterly and advise the DATCP Secretary on all aspects of food safety, including fees assessed to entities regulated under Subchapter II of Chapter 97. The creation of the council is intended to codify practices currently carried out by DHS.

7. CONVERT BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION TO AN ADVISORY COUNCIL

Governor: Delete statutory language creating the Board of Agriculture, Trade and Consumer Protection. Instead, specify DATCP is under the direction and supervision of the Secretary of Agriculture, Trade and Consumer Protection. Further, create a nine-member Agriculture, Trade and Consumer Protection Council, consisting of seven members with an agricultural background and two members representing consumer organizations. Specify member terms are six years, and appointments are to be made, by the Governor, without regard to political party affiliation, residence, or interest in a special organized group. Provide Council members are to be paid a per diem, as determined by the DATCP Secretary and approved by the Governor, not to exceed $35 per day nor $1,000 per year, for each day spent engaged in their duties as Council members. Provide that members of the ATCP Board serving the day before the effective date of the bill are the initial members of the ATCP Council, with each member's term expiring on the July 1 of the year in which his or her appointment to the ATCP Board would have expired.

Under current law, the statutes generally specify board-directed departments are to have advisory, policy-making and regulatory authorities vested in the board, while the secretary is to hold administrative powers. The Department of Agriculture, Trade and Consumer Protection, however, is created "under the direction and supervision" of the Board of Agriculture, Trade and Consumer Protection, while the DATCP Secretary, in whom administrative powers are vested, is nominated by the Governor and confirmed with the advice and consent of the Senate. The nine-

person ATCP Board is to consist of seven persons with an agricultural background and two persons who are consumer representatives. Members serve staggered six-year terms, and appointments are to be made by the Governor without regard to party affiliation, residence or interest in any special organized group. The Board may determine a per-diem amount to be received by its members for days actually and necessarily engaged in duties as a board member, although the amount is subject to approval by the Governor and may not exceed $35 per day. Members may not collect per diems totaling more than $1,000 per year, although Board members are also eligible for reimbursement of actual and necessary expenses incurred in the course of their service.

Under the bill, the make-up of the current ATCP Board would generally be retained, including the body's size, membership, member terms, and allowable expenses and per diems. However, the ATCP Council would have no policy-making role, such as that under current law for approving proposed administrative rules. Rather, the Council would be in an advisory role to the DATCP Secretary. In addition, the provision would delete language requiring that the Board approve of the DATCP secretary's appointments for deputy secretary, assistant deputy secretary or division administrators.

Joint Finance: Delete provision as a non-fiscal policy item.

8. FERTILIZER RESEARCH FEES AND FERTILIZER RESEARCH COUNCIL [LFB Paper 138]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $511,200	$511,200	$0
PR-REV	- $255,600	$255,600	$0

Governor: Repeal the following fees: (a) 27¢ per ton of fertilizer sold or distributed in Wisconsin; and (b) 10¢ per ton of soil or plant additive sold in Wisconsin. Repeal the statutory authorization of the Fertilizer Research Council (FRC) attached to DATCP, and repeal provisions directing: (a) 17¢ of the fertilizer tonnage fee and the 10¢ soil and plant additive fee to the FRC; and (b) 10¢ of the fertilizer tonnage fee to the University of Wisconsin - Extension for outreach on nutrient and pest management. Repeal a DATCP PR continuing appropriation providing for the use of the fertilizer research fees, and delete $255,600 PR each year. Specify the repeals take effect July 1, 2016.

DATCP collects several fees and surcharges on the production, sale and use of agricultural chemicals, including fertilizers, pesticides, commercial animal feed, and other additives to soils and plants. Fee and surcharge collections are deposited to various segregated funds or other accounts, including the agrichemical management fund, the agricultural chemical cleanup fund, the environmental fund, and a DATCP PR appropriation for weights and measures regulatory programs. However, portions of certain fees are distributed to the UW System for research or outreach on fertilizer use, nutrient management or pest management. The bill would repeal most

agricultural chemical fees distributed to the UW System; however, a research fee of 1.25¢ per ton on agricultural lime-containing material collected by DATCP would continue to be transferred to the College of Agricultural and Life Sciences at UW-Madison.

The bill would reduce fertilizer tonnage fees from a total of 97¢ per ton under current law to 70¢ per ton. Total tonnage fees on soil and plant additives would be reduced from 45¢ per ton to 35¢ per ton. These fees and surcharges would continue to be distributed in varying amounts to the segregated agricultural chemical funds, the environmental fund, and the DATCP weights and measures program.

Joint Finance: Delete provision. Research fees administered by the FRC and budgeted under DATCP would be restored at an estimated $255,600 annually. Nutrient and pest management outreach funds budgeted under the UW System would be restored at approximately $166,300 beginning in 2016-17.

9. BULK MILK TANKER LICENSING AND PERMITTING

PR-REV	- $300,000

Governor/Joint Finance: Repeal the requirement that bulk milk tankers obtain a license to operate in Wisconsin. Under current law, bulk milk tankers, which are individual trucks used in the distribution of milk, currently must obtain a $45 annual license and receive a free permit for hauling Grade A milk. Under the bill, bulk milk tankers used by licensed haulers to haul Grade A milk or Grade A milk products would require only a free Grade A bulk milk tanker permit. The bill would retain a statutory prohibition on DATCP charging permit fees for bulk milk tankers that haul Grade A milk, except for instances in which a prior inspection has revealed violations of law, in which case fees could be assessed for a subsequent compliance inspection.

The bill also would specify the following: (a) a bulk milk tanker would be authorized to operate in the state if holding a permit issued by an equivalent regulatory agency in another state; and (b) an applicant for a bulk milk tanker permit would be required to show the tanker had passed inspection by DATCP or a person certified by DATCP to conduct such inspections. Both provisions would clarify current DATCP rule provisions.

The bill would repeal statutory minimum fee amounts for bulk milk tanker reinspections ($30), as well as for milk distributor licenses ($50) and reinspections ($20 per storage facility). Instead, the bill would specify such fees are to be established by DATCP administrative rule, which are currently in effect. The provision would be expected to reduce revenues to DATCP's food regulation PR appropriation by an estimated $150,000 annually related to the $45 annual tanker license.

10. COUNTY LAND AND WATER CONSERVATION STAFF [LFB Paper 136]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $1,631,800	$1,350,000	- $281,800

Governor: As a standard budget adjustment, delete $815,900 environmental fund SEG from the nonpoint account for grants for county land and water conservation staff. Funding is associated with amounts provided on a one-time basis to offset 2013-15 GPR reductions for the same grants.

Under current law, DATCP makes grants to counties for land and water conservation staff that perform work related to achieving state goals for soil conservation and water quality. Grants are generally intended to provide for up to three county staff persons at rates of 100% funding for the first position, 70% funding for a second position and 50% funding for a third or any subsequent position. Grants are funded from a combination of GPR and nonpoint SEG. The Governor's recommendation would provide $8,064,100 each year, including $3,027,200 GPR and $5,036,900 nonpoint SEG.

Joint Finance: Provide $675,000 nonpoint SEG each year for county land and water conservation staffing grants on a one-time basis for the 2015-17 biennium.

Total annual funding would be $8,739,100, including $5,711,900 nonpoint SEG and $3,027,200 GPR. Base-level funding for purposes of establishing the 2017-19 budget would be $8,739,100, but $675,000 SEG annually would be removed as one-time funding under standard budget adjustments, leaving $8,064,100.

11. SOIL AND WATER RESOURCE MANAGEMENT BONDING

BR	$7,000,000

Governor/Joint Finance: Provide $7,000,000 in general obligation bonding authority to support cost-sharing grants under the soil and water resource management (SWRM) program. Bond proceeds support grants made by county land and water conservation departments to agricultural or rural landowners for the installation of structural best management practices to prevent or address nonpoint source water pollution. State law generally requires agricultural operations must receive a minimum offer of cost-sharing if the operation is to be required to change existing practices or structures to address nonpoint source water pollution. Bonding authority for these purposes has been increased by $7 million each biennium beginning in 2007-09. Principal and interest payments on the bonds are supported by the nonpoint account of the segregated environmental fund, and the bill budgets $4.0 million in 2015-16 and $4.1 million in 2016-17 for these purposes.

12. NONPOINT ACCOUNT MANAGEMENT [LFB Paper 136]

Governor/Joint Finance: Transfer $1,000,000 in each year of the 2015-17 biennium from the segregated agricultural chemical cleanup program (ACCP) fund to the nonpoint account of the segregated environmental fund. The provision is intended to provide additional funds for nonpoint SEG-funded programs during the 2015-17 biennium. [See "Natural Resources -- Environmental Quality" for additional information.]

13. PRODUCER-LED WATERSHED GRANTS [LFB Paper 139]

Governor: Require DATCP to make watershed protection grants to producer-led organizations assisting other agricultural producers in a watershed in voluntarily conducting nonpoint source water pollution abatement activities. Specify an eligible producer-led group is to include at least five agricultural producers, each of whom operates within the watershed a farm that had gross farm revenues of $6,000 in the preceding tax year, or at least $18,000 in gross farm revenues combined in the preceding three tax years. Specify that producer-led groups may include additional producers not meeting income-eligibility standards, provided the five-farm minimum is met. Specify that the group must collaborate with at least one of the following entities: (a) DATCP; (b) DNR; (c) a county land conservation committee; (d) the University of Wisconsin System; or (e) a nonprofit conservation organization. Require the producer-led group to form under a memorandum of understanding with its collaborating entities.

Further, specify grants are to be made directly to the producer-led group, except that if the group is not a legal entity, DATCP is to grant funds to a legal entity acting on the producers' behalf. Require any producer-led group receiving funds under the provision to report annually to DATCP on activities carried out with funding and the resulting impacts on water quality in the watershed. Provide DATCP emergency rule-making authority, without the finding of an emergency, for the following purposes: (a) to define eligible legal entities; (b) specifying an application process for producer-led watershed protection grants; and (c) specifying eligible grant activities.

Require DATCP to allocate not more than $250,000 annually for producer-led watershed protection grants. Specify expenditures are to be made from DATCP's existing nonpoint SEG appropriation for cost-sharing grants to landowners. The bill would continue this appropriation's base-level funding of $2,500,000 annually.

Joint Finance: Modify the Governor's recommendation to specify the state's share of funding for a grant to a producer-led watershed group may be no more than 50% of eligible project costs, as defined by DATCP by administrative rule. Additionally, specify grants may not exceed $20,000 to any one recipient in a state fiscal year.

14. COMPUTER SYSTEMS EQUIPMENT, STAFF AND SERVICES

PR	$600,000

Governor/Joint Finance: Provide $300,000 annually for additional expenditures for information technology services supplied throughout the Department. DATCP information technology services are funded from assessments charged to other DATCP programs. The Department reports the funding would support anticipated increases in costs during the 2015-17 biennium. Total authorized expenditures for DATCP computer system equipment, staff and services would be approximately $2.4 million annually under the bill.

15. WORKING LANDS PROGRAM ADMINISTRATION

SEG	$16,000

Governor/Joint Finance: Provide $8,000 annually from the working lands fund for DATCP administration of farmland preservation programs, also known as the Working Lands Initiative (WLI). Under the Working Lands programs, DATCP administers several land-use instruments under which local governments and agricultural landowners designate rural lands for long-term agricultural and related uses. Such designations may allow for landowners to claim the refundable farmland preservation tax credit against income taxes due. DATCP reports working lands SEG expenditures under the bill would support various supplies and materials costs associated with Working Lands workshops and publications.

16. OZONE-DEPLETING REFRIGERANTS REGULATION STAFFING [LFB Paper 140]

	Funding	Positions
PR	- $519,600	- 2.05
SEG	0	2.05
Total	- $519,600	0.00

Joint Finance: Delete $525,100 PR annually with 6.05 PR positions from the DATCP appropriation for regulation of persons and establishments handling ozone-depleting refrigerants. Instead, provide staffing and funding authority as follows: (a) $265,300 PR annually under the DATCP appropriation for weights and measures inspection, with 4.0 PR positions; and (b) $162,100 petroleum inspection SEG annually with 2.05 SEG positions under the appropriation for testing petroleum products and regulating storage tanks of flammable or combustible substances. Additionally, delete $162,100 SEG annually for supplies and services from the petroleum product testing and storage tank regulation appropriation to offset additions for salaries and fringe benefits of permanent positions.

Statutory and DATCP administrative rule changes beginning in the 2011-12 legislative session have effectively eliminated annual funding to the ozone-depleting refrigerants PR appropriation. Previously, the appropriation received revenues of about $420,000 PR annually from a $120 annual registration fee imposed on servicers that handle such refrigerants, as well as other lesser surcharges. The provision is intended to transfer 6.05 filled positions to appropriations supporting other functions to be performed by the affected staff.

17. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	- 1.80	- $224,000	0.00	- $224,000	- 1.80

Governor: Delete 1.8 positions identified by the administration as being generally related to marketing or communications. Positions would be deleted from the following DATCP program areas: (a) consumer protection (1.0 position); and (b) central administrative operations (0.8 position). Associated funding ($112,000 GPR annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting funding associated with the positions, rather than reallocating funding to supplies and services.

18. TRANSFER EDUCATIONAL APPROVAL BOARD CONSUMER PROTECTION FUNCTIONS [LFB Paper 723]

Governor: Beginning January 1, 2016, provide DATCP general authority to investigate complaints and potential violations related to private trade, business, technical or other schools. The bill would transfer certain oversight functions of such institutions from the Educational Approval Board, which would be eliminated, to the Department of Financial Institutions and Professional Standards (DFIPS), which the bill would create. Additional information is available under the sections "Wisconsin Technical College System" and "Financial Institutions and Professional Standards."

Specific provisions DATCP would be required to enforce would be prohibitions on: (a) institutions' unauthorized use of the terms "college" or "university" without offering an educational program that results in graduates earning an associate degree or higher, and that has accreditation recognized by the U.S. Department of Education or the Council for Higher Education Accreditation; and (b) institutions' unauthorized use of the terms "state" or "Wisconsin" in such a manner as to mislead the public into believing the institution is part of the University of Wisconsin System or the Wisconsin Technical College System. The provision would eliminate language allowing for institutions with a foreign equivalency, as determined by the EAB, to be considered accredited in some circumstances. Also, DATCP would assume responsibility for enforcing prohibitions against persons issuing or using false academic credentials, including degrees, transcripts and certificates.

Additionally, the bill includes directives: (a) transferring to DATCP the assets, liabilities, tangible personal property, pending matters and current contracts pertaining to the EAB's consumer protection functions; (b) providing pertinent orders and administrative rules in effect as of the transfer remain in effect until their expiration date, if specified, or until amended or repealed by DATCP; and (c) transferring, no later than January 31, 2016, to a DATCP PR appropriation for services performed for other state agencies, the unencumbered balance of DFIPS's PR professional licensure appropriation attributable to consumer protection functions transferred by the bill. The Secretary of Administration would be responsible for determining program components and funding to be transferred.

Joint Finance: Delete provision.

19. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- $655,500
SEG	253,500
Total	- $402,000

Governor/Joint Finance: Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously issued general obligation bonds: (a) -$7,600 GPR in 2015-16 and -$9,700 GPR in 2016-17 for debt service on past upgrades to the Wisconsin Veterinary Diagnostic Laboratory; (b) -$295,900 GPR in 2015-16 and -$342,300 GPR in 2016-17 for bonds issued for landowner cost-sharing and enrollment incentive payments under the Conservation Reserve Enhancement Program, a state-federal land and water conservation program; and (c) $66,500 SEG in 2015-16 and $187,000 SEG in 2016-17 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to rural landowners for structural best management practices installed under the soil and water resource management (SWRM) program. Debt service is budgeted under the bill as follows: (a) for WVDL upgrades, $6,500 in 2015-16 and $4,400 in 2016-17; (b) for CREP, $870,800 in 2015-16 and $824,400 in 2016-17; and (c) for SWRM grants, approximately $4.0 million in 2015-16 and $4.1 million in 2016-17.

20. PROGRAM REVENUE REESTIMATES

PR	- $500,000

Governor/Joint Finance: Adjust program revenue appropriations as follows to reflect anticipated revenues and expenditures in 2015-17: (a) -$265,000 each year for agricultural resource management (ARM) services provided to other state agencies; and (b) $15,000 each year for food safety services.

The appropriation for ARM services currently is funded primarily by federal funds for nonpoint source water pollution abatement, which are transferred from DNR. DATCP uses the funds to support agricultural engineering services under the soil and water resource management program. The appropriation for food safety services is supported mostly by fees for overtime inspections assessed under DATCP's meat and poultry inspection program. Under the bill, ARM services would be estimated at $336,500 annually, while food safety services would be authorized $57,700 annually.

21. FEDERAL REVENUE REESTIMATES

FED	- $5,700,000

Governor/Joint Finance: Reduce expenditure authority in the following program areas to reflect estimated federal funding to be received by the Department in 2015-17:

2015-17 DATCP Federal Funding Revenue Reestimates

Appropriation	Annual Reduction
Animal health services	-$500,000
Agricultural development - Business development	-500,000
Agricultural development - Farm assistance	-500,000
Agricultural resource management - U.S. Dept. of Agriculture aids	-1,100,000
Central administrative services - Food and animal health emergencies	-250,000
Total	-$2,850,000

22. DISSOLUTION OF DRAINAGE DISTRICTS

Joint Finance: Amend Chapter 88 of the statutes as follows to modify procedures for the reinstatement or dissolution of drainage districts.

Sunset sections 88.81(1) through (3) of the statutes beginning on the effective date of the bill, which would have the effect of prohibiting further suspensions of drainage boards. Instead, provide that for any drainage district with operations suspended as of the effective date of the bill, DATCP is required to file, with the Circuit Court having jurisdiction over the drainage district, a notice that the district will be administratively dissolved 36 months after the filing of the notice.

Provide that upon DATCP filing a notice of dissolution, the Circuit Court is to provide the notice of dissolution to the drainage district board, and, if any vacancies exist on the board, to appoint successors under current-law provisions prior to providing the notice. Require the board, upon receiving notification, to notify certain parties specified under current law by s. 88.05(4)(c) of the statutes, including landowners in the drainage district, the Secretary of Natural Resources, the state drainage engineer, and county highway and land conservation officials.

Specify the district is dissolved: (a) 36 months after the filing of a dissolution notice, provided no hearing is requested by a district landowner; or (b) 48 months after the filing of a dissolution notice, if a hearing is requested by a district landowner as described in the following paragraphs but no order of reinstatement is issued under the controlling provisions.

Provide that upon request by any owner of land in the district, the drainage district board shall hold a hearing on the dissolution notice, and if the board determines public welfare would not be promoted by reinstating district operations, the board is to seek Circuit Court approval for dissolution of the district. Provide if current-law provisions for dissolution are not satisfied, or if court approval is not granted, or if the board finds the public welfare will be promoted by reinstating the district operations, the board shall order the district reinstated.

Require upon either dissolution or reinstatement, the drainage district board is to provide notice of the action to the following parties: (a) the Circuit Court with jurisdiction over the district; (b) DATCP; (c) zoning administrators for each affected city, village, town or county; (d) the clerk of each county in which the district is located; and (e) in the case of dissolution only,

the county treasurer.

Specify the provision first applies to a petition for suspension of operation issued under current law for which no final order has been issued as of the effective date of the bill.

23. DISCOVERY FARMS FUNDING [LFB Paper 678]

Governor: Repeal the annual appropriation from the segregated agrichemical management (ACM) fund for the UW System Discovery Farms program, effective July 1, 2016. Delete 1.2 ACM SEG positions and base funding of $249,800 SEG annually beginning in 2016-17. The UW Discovery Farms program conducts research at operating farms through the Wisconsin Agriculture Stewardship Initiative to assess the environmental and economic effects of practices for land and water conservation and nutrient management.

Joint Finance: Delete provision. Although $249,800 of DATCP-administered ACM SEG would be restored beginning in 2016-17, the fiscal effect is shown under the UW System, where the program is budgeted.

24. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that DATCP lapse $1,664,800 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$118,200	$94,900	$94,900	$0	0.0%	- $23,300	- 19.7%
FED	2,708,600	2,705,200	2,705,200	0	0.0	- 3,400	- 0.1
TOTAL	$2,826,800	$2,800,100	$2,800,100	$0	0.0%	- $26,700	- 0.9%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
FED	6.75	6.75	6.75	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $23,300
FED	- 3,400
Total	- $26,700

Governor/Joint Finance: Reduce funding by $14,300 (-$12,100 GPR and -$2,200 FED) in 2015-16 and by $12,400 (-$11,200 GPR and -$1,200 FED) in 2016-17 to adjust the agency's budget for: (a) full funding of continuing position salaries and fringe benefits (-$11,300 FED annually); and (b) full funding of lease and directed move costs (-$12,100 GPR and $9,100 FED in 2015-16 and -$11,200 GPR and $10,100 FED in 2016-17).

2. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

Governor: Require that all information technology services for the Board for People with Developmental Disabilities (BPDD) be provided by the Department of Administration (DOA).

On the effective date of the bill, specify that the assets and liabilities of BPDD related to information technology, as determined by the Secretary of DOA, would become the assets and

liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred to DOA under the provision.

Joint Finance: Delete Provision. [See "Administration -- Transfers."]

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
FED	$105,400	$105,400	$105,400	$0	0.0%	$0	0.0%
PR	3,026,000	3,198,300	3,162,400	-35,900	- 1.1	136,400	4.5
TOTAL	$3,131,400	$3,303,700	$3,267,800	- $35,900	- 1.1%	$136,400	4.4%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
PR	9.50	7.50	9.50	2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$128,900

Governor/Joint Finance: Provide an increase of $63,400 in 2015-16, and $65,500 in 2016-17 for adjustments to the base budget as follows: (a) $44,900 annually for full funding of continuing salaries and fringe benefits; (b) $16,600 annually for reclassifications of three staff; and (c) $1,900 in 2015-16 and $4,000 in 2015-17 for full funding of lease costs and directed moves.

2. PAYMENT OF AIDS IN LIEU OF TAXES ON LAND PURCHASED FROM DEPARTMENT OF NATURAL RESOURCES [LFB Paper 155]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$43,400	- $35,900	$7,500

Governor: Provide $21,700 PR annually for payments in lieu of taxes. Further, specify

that, if any land purchased by the Board of Commissioners of Public Lands (BCPL) from the Department of Natural Resources (DNR) was not at the time of purchase subject to assessment or levy of a real property tax, the Board shall make annual payments to the appropriate taxation district from the BCPL general program operations appropriation in the manner required under s. 70.114 of the statutes (the provision governing DNR aids in lieu of property taxes payments on lands which DNR has acquired since 1992).

Under current law, land that DNR owns is not subject to property taxes. Since 1992, when DNR acquires land, the Department pays aids in lieu of property taxes on the land to the city, village or town in which the land is located in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased, adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. For lands purchased after July 1, 2011, estimated value means either the lower of the equalized value of the property in the year prior to purchase by DNR or the purchase price (instead of the purchase price for pre-July, 2011 purchases). In cases where the property had been tax exempt in the year prior to acquisition, or enrolled in the forest crop law (FCL) or managed forest law (MFL) program at the time of purchase, estimated value means the lesser of either the purchase price or an amount that would result in a payment of $10 per acre.

BCPL currently makes payments in lieu of taxes on land it acquires that was subject to property taxes at the time of purchase in an amount equal to the property taxes levied on the land in the year prior to the year in which the Board purchased the land. The bill would require BCPL to make payments in lieu of taxes on land acquired from DNR that was not subject to property taxes at the time of BCPL purchase. Administration officials indicate that the intent is for BCPL to, beginning with the effective date of the bill, make annual payments in lieu of taxes for lands owned by BCPL that were previously acquired from DNR as well as for future land purchases by BCPL from DNR, in an amount similar to the payments that would have been made had DNR continued to own the land. However, it may be unclear whether the payments would apply to purchases BCPL made from DNR before the effective date of the budget act. Further, under the bill, the formula appears to be based on when BCPL, rather than DNR, made the purchase.

Joint Finance: Delete provision. Rather, specify that, beginning with purchases made as of the effective date of the bill, if any land purchased by BCPL or acquired pursuant to an exchange was at the time of purchase or acquisition subject to assessment or levy of a real property tax or subject to an obligation to make state or federal payments in lieu of taxes, the Board shall make annual payments in lieu of property taxes from the proceeds from the sale of timber or from appropriate trust fund incomes to the appropriate local governmental unit in an amount equal to property taxes levied on the land or state or federal payments in lieu of taxes made in the year prior to the year in which the Board purchased or acquired the land. Delete $19,200 in 2015-16 and $16,700 in 2016-17 (a base-level increase of $2,500 PR in 2015-16 and $5,000 PR in 2016-17 would be provided to reflect the expected effect of the provision).

3. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	- 1.00	1.00	0.00

Governor: Delete 1.0 senior accountant position from the Board of Commissioners of Public Lands general program operations appropriation, for a shared agency services pilot program under the Department of Administration (DOA). Funding associated with the position ($106,000 PR annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

4. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	- 1.00	1.00	0.00

Governor: Require that all information technology services for the Board of Commissioners of Public Lands be provided by the Department of Administration (DOA).

Delete 1.0 comprehensive services specialist position from the Board's general program operations appropriation, to transfer responsibility for all information technology services to DOA. Funding associated with the positions ($82,100 annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of the Board related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

BOARD ON AGING AND LONG-TERM CARE

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,265,600	$2,608,700	$2,580,100	- $28,600	-1.1%	$314,500	13.9%
PR	3,450,400	3,500,100	3,491,500	- 8,600	-0.2	41,100	1.2
TOTAL	$5,716,000	$6,108,800	$6,071,600	- $37,200	- 1.3%	$355,600	6.2%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	15.73	18.18	18.18	0.00	2.45
PR	21.27	21.82	22.32	0.50	1.05
TOTAL	37.00	40.00	40.50	0.50	3.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$22,400
PR	- 49,800
Total	- $27,400

Governor/Joint Finance: Reduce funding by $14,500 ($11,200 GPR and -$25,700 PR) in 2015-16 and by $12,900 ($11,200 GPR and -$24,100 PR) in 2016-17 to reflect the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits ($11,200 GPR and -$66,700 PR annually); and (b) full funding of lease and directed move costs ($41,000 PR in 2015-16 and $42,600 PR in 2016-17).

2. OMBUDSMAN SPECIALISTS [LFB Paper 358]

	Funding	Positions
GPR	$153,300	1.95
PR	82,500	1.05
Total	$235,800	3.00

Governor/Joint Finance: Provide $235,800 ($153,300 GPR and $82,500 PR) to fund 3.00 ombudsman specialist positions (1.95 GPR positions and 1.05 PR positions), beginning in 2016-17. The PR funding is federal MA administration funding the state MA program may claim for a portion of the costs of the Board's ombudsman services, which is transferred to a PR

appropriation for the Board from the Department of Health Services. These positions are provided as a part of the Governor's recommendations to modify the Family Care program, which is summarized under "Health Services -- Long-Term Care."

Ombudsman specialists provide advocacy services to persons ages 60 and older who receive long-term care services in licensed residential long-term care facilities and home and community-based settings. Services provided by ombudsman specialists include investigation of complaints, mediation of disputes regarding long-term care services, provision of information and education on long-term care-related topics, and advocacy and consultation for long-term care program participants and their families. The Board is currently authorized 16.5 ombudsman specialist positions.

3. OMBUDSMAN SERVICES FOR RESIDENTS OF THE STATE VETERANS HOMES [LFB Paper 160]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$150,400	0.50	- $20,000	0.00	$130,400	0.50

Governor: Provide $75,200 annually to support 0.5 position, beginning in 2015-16, to provide ombudsman services for residents at the three state veterans homes at King, Union Grove, and Chippewa Falls. Ombudsman specialists provide advocacy services, including investigation of complaints, mediation of disputes, and provision of information and education on long-term care-related topics.

Joint Finance: Reduce funding for travel expenses by $10,000 annually, so that $8,000 would be provided annually to support travel costs for this position.

4. BROADBAND SERVICE EXPANSION [LFB Paper 161]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$17,000	- $8,600	$8,400
PR	17,000	- 8,600	8,400
Total	$34,000	- $17,200	$16,800

Governor: Provide $17,000 ($8,500 GPR and $8,500 PR) annually to increase information technology (IT) bandwidth services available for use by the agency's staff. Currently, the agency's broadband service provides data transmission at a rate of 1.5 megabits per second (Mbps), which the agency indicates is inadequate for certain activities, such as running database programs for multiple users and streaming videos for counseling activities. This item would fund the cost of increasing the data transmission rate to 5.0 Mbps to support the Board's IT-related activities.

Joint Finance: Reduce funding by $8,600 (-$4,300 GPR and -$4,300 PR) annually to reflect DOA Division of Enterprise Technology (DET) monthly service rates for 5 Mbps of bandwidth.

5. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA-PROVIDED INFORMATION TECHNOLOGY SERVICES [LFB Paper 110]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$0	- 0.50	$0	0.50	$0	0.00

Governor: Require that all information technology services for BOALTC be provided by the Department of Administration (DOA).

Delete 0.50 positions annually from the following appropriations of the Board to transfer responsibility for all information technology services to DOA: (a) contracts with other state agencies (0.37 positions); and (b) insurance and other information, counseling and assistance (0.13 positions). Funding associated with the positions ($39,600 annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of the Board related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

BONDING AUTHORIZATION

1. GENERAL OBLIGATION BONDING AUTHORITY

Governor/Building Commission: Provide general obligation bonding authority of $324,672,500 as indicated. Debt service amounts included under the Governor's recommendations incorporate the estimated funding associated with the 2015-17 building program.

Joint Finance: Provide general obligation bonding authority of $670,943,900 as indicated.

Agency and Purpose	Governor/ Bldg. Comm	Jt. Finance
Agriculture, Trade and Consumer Protection		
Soil and Water	$7,000,000	$7,000,000
Building Commission		
Eau Claire Confluence Arts Center	0	15,000,000
Other Public Purposes	7,093,700	7,093,700
Wisconsin Agricultural Education Center, Inc.	5,000,000	5,000,000
Carroll University	3,000,000	3,000,000
Capital Equipment Acquisition	-675,000	-675,000
Swiss Cultural Center	-1,000,000	-1,000,000
Hmong Cultural Centers	-2,000,000	-2,000,000
Marshfield Clinic	-10,000,000	-10,000,000
Corrections		
Correctional Facilities	7,271,300	7,271,300
Juvenile Correctional Facilities	-332,300	-332,300
Self-Amortizing Facilities and Equipment	-5,220,700	-5,220,700
Educational Communications Board		
Educational Communication Facilities	-334,200	-334,200
Environmental Improvement Fund		
Safe Drinking Water Loan Program	7,500,000	5,400,000
Clean Water Fund	0	-54,100,000
Health Services		
Mental Health Facilities	4,842,400	4,842,400
Historical Society		
Self-Amortizing Facilities	-127,700	-127,700
Historic Sites	-476,000	-476,000
Historical Society; Wisconsin History Center	-4,000,000	-4,000,000
Museum Facility	-15,000,000	-15,000,000

Agency and Purpose	Governor/ Bldg. Comm	Jt. Finance
Marquette Dental School		
Dental Clinic and Educational Facility	$2,000,000	$2,000,000
Natural Resources		
Nonpoint Source	7,000,000	5,900,000
Contaminated Sediment Removal	5,000,000	0
Urban Nonpoint Source Cost-Sharing	5,000,000	3,000,000
Dam Safety Projects	4,000,000	4,000,000
Stewardship Program	0	-88,250,000
Transportation		
State Highway Rehabilitation	242,386,600	0
Rail Acquisitions and Improvements	43,000,000	29,800,000
Major Interstate Bridge Construction	30,000,000	20,000,000
High-Cost State Highway Bridge Projects	16,800,000	16,800,000
Rail Passenger Route Development	-43,000,000	-43,000,000
Harbor Assistance	0	13,200,000
Southeast Wisconsin Megaprojects	0	300,000,000
Contingent Highway Bonding - GPR Supported	0	175,000,000
Contingent Highway Bonding - GPR or SEG-Supported	0	175,000,000
University of Wisconsin System		
Academic Facilities	0	86,208,000
Self-Amortizing Facilities	-9,253,200	-9,253,200
Veterans Affairs		
Self-Amortizing Housing Facilities	18,601,600	18,601,600
Veterans Facilities	596,000	596,000
TOTAL General Obligation Bonds	$324,672,500*	$670,943,900*

*Excludes $1,500,000,000 of economic refunding bonds that would be authorized in the bill.

2. REVENUE OBLIGATION BONDING

Governor: Provide revenue bonding authority of $1,011,027,000 as indicated.

Joint Finance: Decrease revenue bonding authority by $18,786,400 as indicated.

Agency and Purpose	Governor/ Bldg. Comm	Jt. Finance
Environmental Improvement Fund		
Clean Water Fund	$0	-$182,200,000

Agency and Purpose	Governor/ Bldg. Comm	Jt. Finance
Transportation		
Transportation Facilities; Major Highway Projects and Southeast Wisconsin Megaprojects	$1,011,027,000	$163,413,600
Total Revenue Obligation Bonds	$1,011,027,000	- $18,786,400

3. APPROPRIATION REVENUE OBLIGATION BONDING

Governor: Provide appropriation obligation bonding authority of $220,000,000 as indicated.

Joint Finance: Delete provision.

Agency and Purpose	Governor/ Bldg. Comm	Jt. Finance
Administration		
Sports and Entertainment District Arena	$220,000,000	$0
GRAND TOTAL General, Revenue and Appropriation Obligation Bonds	$1,555,699,500	$652,157,500

BUDGET MANAGEMENT AND COMPENSATION RESERVES

Budget Change Items

1. COMPENSATION RESERVES [LFB Paper 271]

Governor/Joint Finance: Provide, in the 2015-17 general fund condition statement, total compensation reserves of $21,385,000 in 2015-16 and $37,233,600 in 2016-17 for the increased cost of state employee salaries and fringe benefits. Total compensation reserve amounts by fund source and fiscal year are shown in the following table:

Fund Source	2015-16	2016-17
General Purpose Revenue	$10,692,500	$18,616,800
Federal Revenue	2,993,900	5,212,700
Program Revenue	4,704,700	8,191,400
Segregated Revenue	2,993,900	5,212,700
Total	$21,385,000	$37,233,600

The final GPR and all funds compensation reserve amounts under AB 21/SB 21 identified above are net of the following recommendations of the Governor: (a) -$4,183,600 GPR in 2015-16 (-$9,194,700 all funds), and -$8,367,000 GPR in 2016-17 (-$18,389,000 all funds) associated with a proposal to permit state employees to opt-out of state health insurance coverage for a $2,000 annual payment; and (b) -$8,200,000 GPR in 2015-16 (-$18,200,000 all funds), and -$16,400,000 GPR in 2016-17 (-$36,400,000 all funds) associated with unspecified changes to the state group health insurance program.

Typically, amounts within the compensation reserves are funds to pay for such items as: (a) the employer share of increased premium costs in the forthcoming fiscal biennium for state employee health insurance; (b) the costs of any general wage adjustments or negotiated pay increases; (c) increases in the employer share of contributions to the state retirement fund for employees' future state retirement benefits; and (d) pension obligations bond payments for the state's unfunded prior service liability for retirement benefits and the accumulated sick leave conversion credit program.

2. DOA SECRETARY AUTHORITY TO LAPSE MONEYS FROM GPR AND PR APPROPRIATIONS OF SPECIFIED AGENCIES IN 2016-17

GPR-REV	$38,176,100

Governor: Specify that a 2013 Act 145 provision that requires the Secretary of Administration to lapse $38.2 million in 2015-16 to the general fund from the unencumbered balances of GPR and PR appropriations of a list of specified executive branch state agencies,

other than sum sufficient and FED appropriations, would also apply in 2016-17. The following table shows the proposed 2016-17 lapse amounts by agency under the bill. Specify that the amounts to be lapsed from the Department of Financial Institutions (DFI) and the Department of Safety and Professional Services (DSPS) for 2015-16 and 2016-17 would be combined as an amount to be lapsed from the proposed Department of Financial Institutions and Professional Standards (DFIPS).

The $38,176,100 lapse amount for 2016-17 is included in the general fund condition statement as "Departmental Revenues -- Other."

Agency	2016-17 GPR and PR Lapses Under the Bill
Administration	$13,430,900
Agriculture, Trade and Consumer Prot.	1,664,800
Child Abuse and Neglect Prevention	228,400
Children and Families	592,200
Corrections	1,864,100
District Attorneys	43,300
Educational Communications Board	85,500
Financial Institutions and Professional Standards	8,666,400
Government Accountability Board	40,200
Historical Society	11,900
Insurance Commissioner	902,700
Justice	2,040,300
Natural Resources	3,008,000
Public Defender Board	118,700
Public Instruction	1,049,300
Public Service Commission	98,700
Revenue	1,383,400
Secretary of State	51,200
State Fair Park	6,700
Tourism	10,400
Transportation	140,900
Wisconsin Technical College System	65,100
Workforce Development	2,673,000
Total	$38,176,100

Joint Finance: Delete the provision that would combine the amounts to be lapsed from DFI and DSPS as an amount ($8,666,400) to be lapsed from the proposed DFIPS. This would have the effect of restoring separate lapses for DFI ($2,434,400) and DSPS ($6,232,000) that would total to $8,666,400.

3. REQUIRED GENERAL FUND STATUTORY RESERVE [LFB Paper 170]

Governor: Provide that the required general fund statutory balance would be $65 million for 2017-18 and 2018-19. Specify that beginning in 2019-20, the required balance would equal 2% of total GPR appropriations plus GPR compensation reserves for each fiscal year.

Under current law, the required balance is $65 million for 2015-16 and 2016-17 and 2% of total GPR appropriations plus GPR compensation reserves for each fiscal year beginning in 2017-18.

A comparison of current law and the statutory balance requirements under the bill is shown in the following table.

	Current Law	Under the Bill
2015-16	$65,000,000	$65,000,000
2016-17	65,000,000	65,000,000
2017-18	2%*	65,000,000
2018-19	2%*	65,000,000
2019-20 and thereafter	2%*	2%*

*The required balance equals 2% of gross GPR appropriations plus GPR compensation reserves in that year. As an example, a 2% calculation for 2016-17 under the bill equals $339 million.

Joint Finance: Delete the provision that would specify that beginning in 2019-20, the required balance would equal 2% of total GPR appropriations plus GPR compensation reserves for each fiscal year. Instead, specify that the statutory reserve for fiscal years 2015-16 and 2016-17 would equal $65 million plus the accumulated amount drawn from moneys that otherwise would have been transferred to the budget stabilization fund. Beginning in 2017-18, the statutory reserve would equal the prior year reserve amount plus $5,000,000, plus the accumulated amount drawn from moneys that otherwise would have been transferred to the budget stabilization fund in that fiscal year, but not to exceed 2%.

Under current law, if actual general fund tax collections in a fiscal year exceed the estimated amount for that year used in the budget act, then 50% of the excess is transferred to the budget stabilization fund, as long as this transfer would not reduce the general fund balance below the statutory reserve. This provision would modify current law governing transfers to the budget stabilization fund to specify that if the transfer of 50% of the excess in actual tax collections compared to the estimate would cause the general fund balance on June 30 of the fiscal year to be less than 2% of total GPR appropriations plus GPR compensation reserves for that year, then the Secretary of Administration could not make the transfer. Instead, the moneys would remain in the general fund, and the statutory reserve would be increased correspondingly. The statutory reserve would be set equal to $65 million plus the accumulated amount of any moneys retained in the general fund under this procedure, but could not exceed 2% of total GPR appropriations plus GPR compensation reserves. In addition, beginning in 2017-18, at a minimum the statutory reserve would equal the prior year amount plus $5 million, plus any moneys retained under this procedure, but could not exceed the 2% level. Once the general fund balance has reached this 2% amount, then transfers to the budget stabilization fund in subsequent

fiscal years would occur as under current law, and the $5 million annual increase would not apply.

4. GENERAL FUND STRUCTURAL BALANCE

Joint Finance: Provide that s. 20.003(4m) of the statutes, which requires that no bill may be passed by the Legislature if estimated general fund expenditures exceed estimated revenues in the second year of the biennium, would not apply to the 2015-17 budget bill.

5. LIMIT ON INTERFUND CASHFLOW BORROWING [LFB Paper 171]

Governor/Joint Finance: Increase the limit on interfund borrowing to support the general fund's cashflow by four percentage points, from 8% of GPR appropriations in a fiscal year to 12% of GPR appropriations for that year.

Under current law, beginning in 2015-16, the Secretary of DOA is authorized to temporarily reallocate to the general fund an amount equal to 5% of total GPR appropriations in order to support the general fund's cashflow (approximately $798 million in 2015-16 and $847 million in 2016-17), from available balances in the state investment fund. This limit would be increased to 9% under the bill. In addition, under current law, the Secretary may permit a further 3% to be used for temporary reallocations to the general fund for a period not to exceed 30 days, which cannot be made for consecutive periods (approximately $479 million in 2015-16 and $508 million in 2016-17). In total, under current law, 8% of GPR appropriations ($1,277 million in 2015-16 and $1,355 million in 2016-17) may be allocated to the general fund on a temporary basis. Under the Governor's recommendation these aggregate limits would be $1,915 million in 2015-16 and $2,033 million in 2016-17. The following table compares the limits under the Governor's recommendation with current law. For funds other than the general fund, up to $400 million can be reallocated between the general fund, certain segregated funds, and the local government investment pool. Funds that borrow money through temporary reallocations are charged interest at the earnings rate of the state investment fund. In the 2013-15 biennium, the 5% threshold described above was increased to be 9% through June 30, 2015.

Limits on Temporary Reallocations to Support the General Fund's Cashflow
($ in Millions)

	Current Law			Governor/Jt. Finance	
Limit	2015-16	2016-17	Limit	2015-16	2016-17
5%	$798	$847	9%	$1,436	$1,525
3% (30-day limit)	479	508	3% (30-day limit)	479	508
Total	$1,277	$1,355	Total	$1,915	$2,033

6. AGENCY BUDGET REQUEST SCENARIOS

Joint Finance: Require that state agencies making their agency biennial budget request would submit three proposals as follows: (a) a proposal written as if there would be no increase

in expenditures of GPR, PR, or SEG from the base levels for the current fiscal year; (b) a proposal written as if the only increase in expenditures of GPR, PR, or SEG from base levels would be for cost to continue programs, including standard budget adjustments and increases in costs due to case load or population adjustments, and for the amounts necessary to fund previously enacted program commitments; and (c) the proposal submitted in (b) but modified to include increases in GPR, PR, or SEG from base levels for programmatic changes.

Require the DOA Secretary when compiling the requests for agencies for the succeeding biennium under the current law report due on November 20 of each even-numbered year, to ensure that the data is presented as the three of these proposals described above.

BUILDING COMMISSION

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$88,886,400	$110,625,300	$111,701,000	$1,075,700	1.0%	$22,814,600	25.7%
PR	9,598,600	1,912,900	1,912,900	0	0.0	- 7,685,700	- 80.1
SEG	2,048,400	2,048,400	2,048,400	0	0.0	0	0.0
TOTAL	$100,533,400	$114,586,600	$115,662,300	$1,075,700	0.9%	$15,128,900	15.0%

FTE Position Summary

There are no full time positions authorized for the Building Commission.

Budget Change Items

1. DEBT SERVICE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,447,100	$1,075,700	$3,522,800
PR	- 7,685,700	0	- 7,685,700
Total	- $5,238,600	$1,075,700	- $4,162,900

Governor: Decrease funding by $2,089,400 GPR in 2015-16 and increase funding by $4,536,500 GPR in 2016-17 to reflect the reestimate of GPR debt service costs on state general obligation bonds and commercial paper debt issued for the following purposes. Decrease funding by $4,348,500 PR in 2015-16 and $3,337,200 2016-17 for debt service on PR-supported bonds.

	2014-15 Base Level Funding	Current Law Debt Service Changes 2015-16	2016-17
GPR Debt Service Appropriation			
Capitol and Executive Residence	$14,771,500	-$926,500	-$4,781,400
Amounts Not Initially Allocated to Agencies	25,779,400	-2,141,400	7,766,800
Other Public Purposes	1,833,100	-73,500	-272,900
Grand Opera House in Oshkosh	32,200	-100	3,300
Aldo Leopold Climate Change Classroom and Interactive Laboratory	38,400	-100	-100
Bradley Center Sports and Entertainment Corp.	424,800	414,500	479,900
Lac du Flambeau Indian Tribal Center	0	20,100	20,100
HR Academy Youth Center	138,700	-4,800	-25,400
Hmong Cultural Centers	22,200	-100	-100
Swiss Cultural Center	56,500	0	5,400
Children's Research Institute	1,047,800	-119,300	-25,400
Milwaukee Police Athletic League Youth Activity Ctr.	102,600	-5,800	-6,500
Civil War Exhibit at Kenosha Museum	44,300	-1,500	-1,500
Family Justice Center	0	0	284,200
Domestic Abuse Intervention Facilities	0	26,900	44,900
K I Convention Center	0	0	105,200
Dane County Livestock Facilities	0	722,200	722,200
Wisconsin Maritime Center for Excellence	0	0	133,700
Norskedalen Nature and Heritage Center	0	0	84,100
Total GPR	$44,291,500	-$2,089,400	$4,536,500
PR Debt Service Appropriation			
Energy Conservation Projects	$4,536,200	-$4,342,100	-$3,274,300
Aquaculture Demonstration Facility	263,100	-6,400	-62,900
Total PR	$4,799,300	-$4,348,500	-$3,337,200

Joint Finance: Increase debt service by $1,075,700 GPR in 2016-17 to reflect the debt service on bonds issued for the Eau Claire Confluence Arts Center in Eau Claire authorized under the 2015-17 state building program.

2. GPR DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR-Lapse $22,684,100

Joint Finance: Decrease the net amount of GPR debt service required in the 2015-17 biennium by $12,165,000 in 2015-16 and $10,519,100 in 2016-17 for all agencies to reflect the projected lapses from GPR debt service appropriations in the biennium. Net GPR debt service, after these GPR-Lapse amounts, would total $619,846,100 in 2015-16 and $592,456,200 in 2016-17.

These reestimated lapse amounts are associated with: (a) $10,729,500 in 2015-16 and $3,994,000 in 2016-17 to reflect the updated estimates of GPR-supported bonds issuance affecting the 2015-17 biennium, as well as the 2015 Series A general obligation bond issue and the 2015 Series A general obligation bond refunding bonds issues carried out since the budget was introduced; and (b) $1,435,500 in 2015-16 and $6,525,100 in 2016-17 to reflect lower interest costs than those included in earlier estimates.

3. 2014-15 SHORT-TERM DEBT RESTRUCTURING -- DEBT SERVICE INCREASE

GPR	$19,291,800

Governor/Joint Finance: Increase estimated GPR debt service by $544,900 in 2015-16 and $18,746,900 in 2016-17 associated with the administration's proposed restructuring of $108,000,000 in outstanding state commercial paper principal that would otherwise be paid in May, 2015. The increased debt service cost would be spread over all GPR bonding purposes and corresponding debt service appropriations on which the commercial paper is due. The debt service costs in 2015-16 are associated with interest on the $108,000,000 in deferred principal. The debt service costs in 2016-17 also reflect interest due on the deferred principal as well as the repayment of a portion of the deferred principal. These amounts were shown in the administration's general fund condition statement to the bill as an offset to GPR-Lapse amounts (negative savings), but are shown here as an increase to 2015-17 GPR debt service costs (increased expenditures).

4. MODIFICATIONS TO BUILDING COMMISSION'S AUTHORITY

Governor: Make the following modifications to the Building Commission's authority to oversee and execute the biennial state building program and the management of state construction projects, facilities, and properties.

14-Day Passive Approval: Create a 14-day passive review process for Building Commission approvals relative to the state building program and the housing of state agencies. Require that requests for approval from the Building Commission would have to be submitted in writing to the Commission. Specify that if, within 14 working days after the date of that written request, a majority of the members of the Commission do not request that the Commission schedule a meeting to review the request, the request would be approved. Specify that this passive review approval process would specifically apply to the Building Commission's current law authority to do the following:

a. after enactment of the biennial budget act, in any biennium, approve any request for project budget increase or any substantial change in an enumerated project.

b. approve the acceptance of any gift, grant, or bequest of real property by UW System with a value in excess of $150,000 or any gift, grant, or the bequest of a building or structure that is constructed for the benefit of the System or any institution therein.

c. fix rent for all space in buildings constructed for housing state offices or for general state purposes.

d. review special assessments on state property by municipalities.

e. approve a state board, agency, officer, department, commission or body corporate request to permit a privately-owned or -operated facility to be constructed on state-owned land.

f. waive state contracting law requirements if the Commission determines that the use of innovative design and construction processes would make better uses of resources and

technology available in the building industry if such an action is in the best interest of the state (statutory references to this waiver authority would also be modified).

g. approve the lease, lease purchase, or acquisition of facilities in lieu of state construction of any project enumerated in the authorized state building program.

h. lease or resell lands acquired in the capitol planning area for public or private redevelopment and to set the conditions of sale or lease as deemed necessary to ensure development is compatible with the needs of the community and the state.

i. lease space in state office building for commercial use, including without limitation because of enumeration, retail, service and office uses.

j. approve the environmental improvement fund's biennial finance plan updated to reflect the adopted biennial budget act.

k. lease, with an option to purchase, any facility for the use of the Department of Corrections as a part of the authorized state building program.

l. authorize limited changes in the project program, and in a project budget, in the implementation of the state building program, if the Commission determines that unanticipated program conditions or bidding conditions require the change to effectively and economically construct the project.

m. apply federal grants and private gift funds or other moneys, in addition to, or in lieu of, project funding enumerated in the state authorized building program.

n. substitute any available source of funding, in whole or in part, for state agency borrowing authority purposes to any project enumerated as part of the state building program.

The Building Commission is an eight-member body consisting of the Governor, who serves as chair, two members of the majority party and one member of the minority party of each house of the Legislature, and one citizen member appointed by the Governor.

In general, the State Building Commission has historically met on a monthly basis to execute any approvals related to its authority. Approvals require a majority vote of the Commission members present at the meeting. The Commission's current policy and procedures manual indicates that it is to hold regular meetings each month at the call of the Chair, unless the Chair determines that the meeting should be canceled, combined with another meeting, or rescheduled due to insufficient business or other extenuating circumstances. In addition, special meetings may be called by the Chair.

Under the bill, requests for any of the items listed above would be approved unless five of the eight members of the Commission request that the Commission schedule a meeting to review the requests.

Project Status Report to Commission. After the first meeting of the Building Commission following enactment of the biennial budget act, the Department of Administration (DOA) would

be required to report quarterly to the Commission regarding the status of projects under the state building program.

Commission's Report to Legislature on Previously Authorized Projects. Delete the requirement that the Building Commission submit a report to the Legislature on the progress of projects authorized in the two preceding and current biennia including the total project budget, the encumbrance and expenditure to date, and the unencumbered balance remaining for each project. In addition, delete a statement of legislative intent that the Legislature be given a complete picture of the results of its past decisions regarding the state's building program, which will serve as background for making further decisions.

Agency Building Program Project Reports to the Commission. Delete the requirement that whenever any state agency contemplates a project under the state building program the agency must report the project to the Building Commission on such date and in such manner as Commission prescribes. In addition, delete the requirement that such reports be reviewed by the Commission, and the Commission make its report on the project reported by agencies as soon after November 20 as is possible. Under current law, these reports are required to include: (a) recommendations and establish priorities for the next three biennia from among all projects submitted, which the Commission deems essential; (b) recommendations for additional appropriations if necessary; and (c) an appraisal and recommendation of available and alternative methods of financing buildings for the use of state agencies.

Authority to Fund UW System Campus Facilities. Delete the Commission's authority to allocate state building trust fund moneys, or funds from other sources available to the Commission, to equip any University of Wisconsin System college campuses if the facilities have been provided by the counties or other units of local government and the operation of the college campus has been approved by the Board of Regents of the University of Wisconsin System.

Joint Finance: Delete provision as a non-fiscal policy item.

5. BUILDING PROGRAM PROJECT THRESHOLDS

Governor: Make the following modifications to the statutes governing the execution of the state building program:

Enumeration Requirement. Increase from $760,000 to $3,000,000 the project cost threshold at which projects involving the design and construction of a state facility, building or structure, the repair, remodeling, or improvement of an existing facility, or the acquisition of land are required to be enumerated in the biennial state building program. Specify a corresponding increase from $760,000 to $3,000,000 to the cost of a project that the Building Commission may authorize for construction in accordance with priorities established by the Commission and to the cost of project for which the Commission may adjust those priorities by deleting, substituting, adding new projects as needed to reflect unforeseen circumstances.

Projects Requiring Building Commission Approval. Increase from $185,000 to $760,000 the size of a contract that a state board, agency, officer, department, commission, or body corporate may enter into without completion of final plans, arrangement for supervision of construction, and prior approval of the Commission. Make corresponding modifications to the statutory reference to an agency's authority to use simplified procedures in bidding and other construction contract requirements to refer instead to a project with a cost of less than $185,000 (maintains the current law amount) rather than a project not requiring Commission approval (modified to $760,000 under bill).

UW System Gift and Grant Funded Projects. Increase from $500,000 to $760,000 the size of contract that the UW System could enter into without completion of final plans, arrangement for supervision of construction, and prior approval of the Commission if the project is funded entirely with gift and grant proceeds. Make a corresponding modification to the reference for the size of project (from $500,000 to $760,000) on which the UW System would not be required to meet state construction contract requirements, if such projects are entirely funded with gifts and grants.

State Fair Park Projects. Specify that the State Fair Park Board would not be allowed to enter into contracts for the construction of any building, structure, or facility for the Board involving a cost of not more than $760,000. Under current law, the Board can enter into contracts for such projects involving a cost of not more than $250,000 without completion of final plans and arrangement for supervision of construction and prior approval by the Building Commission. Increase from $250,000 to $760,000 the size of project at the State Fair Park that the Commission is required to report on, and identify project funding for, as part of its biennial, long-range state building program, but does not have to formally recommend for inclusion in the program.

Construction Contract Approvals. Increase from $150,000 to $500,000 the size of contracts, or change orders to contracts, for engineering services or architectural services and limited trades work on construction projects, for which the Governor could delegate approval authority to the DOA Secretary or the Secretary's designee. Under current law, any such contracts, or for any change order to such contracts, with a cost of less than $60,000 may be endorsed and approved by the DOA Secretary or a designee, and the Governor can further delegate authority to the DOA Secretary, or a designee, to endorse and approve such contracts, or change orders to such contracts, that do not exceed $150,000 in cost.

Initial Applicability. Specify that the provisions relating to the enumeration thresholds for the biennial building program would first apply to authorizations occurring on the effective date of the bill. The modifications to the contracting requirements for projects up to $760,000, and the Governor's authority to delegate contract approval to the DOA Secretary or a designee would first apply to contracts entered into, extended, modified, or renewed on the effective date of the bill.

Joint Finance: Delete provision as a non-fiscal policy item.

6. TRANSFER AUTHORITY TO CONTRACT FOR OPERATING NOTES TO DOA

Governor: Transfer the Building Commission's authority to contract for operating notes to the Department of Administration (DOA) by repealing the Commission's authority to carry out such transactions and recreating that authority under DOA. Specify that no financial obligations could be incurred nor could any evidence of operating notes be issued by the state except pursuant to a written authorizing certification that:

a. sets forth the aggregate principal amount of operating notes authorized;

b. sets forth the purpose of the operating notes, which need not be more specific but could not be more general than those purposes provided in or pursuant to law;

c. the manner of sale of the notes, and the form and terms of the notes; and

d. is signed by the DOA Secretary, or the Secretary's designee, and transmitted to the Governor.

These provisions would replace the current law requirement that operating notes can only be contracted for pursuant to an authorizing resolution, which is repealed under the bill, with the authorizing certificate requirements described above. Modify the current law references to an authorizing resolution for operating notes to refer instead to an authorizing certificate. Specify that the authority provided to DOA to contract for operating notes would constitute full authority for accomplishment of all authorized acts and that no other law restricting the carrying out of such acts could be construed as applying to proceedings or acts done under these provisions.

Delete the requirement that the DOA Secretary submit a request, signed by the Governor, for the issuance of operating notes to the Building Commission. The DOA Secretary would continue to be required to notify the Joint Committee on Finance of any proposed authorizing certificate for issuance of operating notes and the proposed issuance of operating notes would be subject to Committee approval under the 14-day passive review process.

Authorize DOA to enter into a contract with any firm or individual engaged in financial services for the performance of any of the Department's duties relative to operating notes using selection and procurement procedures established by the Department. Provide that such a contract would not be subject to the state's general purchasing, procurement, and contracting laws and requirements.

Repeal the current law provisions requiring that in contracting for operating notes, by competitive or negotiated sale, the Building Commission, or any underwriters, must ensure that certain percentages of total moneys expended in such fiscal year for the services of financial advisers are expended for the services of minority or disabled veteran financial advisers. Under current law, these requirements would apply to the contracting of operating notes unless the DOA Secretary submits a report in writing to the Joint Committee on Finance specifying the Commission's reasons for not complying with the requirements. None of these minority and disabled veteran contracting requirements would apply to DOA's authority to contract for operating notes provided under the bill.

Specify by cross-reference that the following current law requirements relating to DOA's authority to contract for appropriation obligation bonds would apply to its newly-transferred authority to contract for operating notes, and that all references to appropriation obligations would be read to refer instead to operating notes: (a) the repayment terms and rates of interest; (b) the provisions for prepayments and premiums; (c) the requirement that the obligation be in United States currency; (d) the authority of DOA to enter into ancillary agreements and arrangements, such as interest rate agreements, related to the obligation; (e) the evidence of obligation requirements; (f) the requirement that the obligation be in the form of bonds, notes, or other evidences of obligation, and may be issued in book-entry form or in certificated form; (g) the requirements that the obligation be executed in the name of, and for the, state by the Governor and be sealed with the great seal of the state or a facsimile thereof; (h) the requirement that the obligation be in such form and contain such statements or terms as determined by DOA, and not conflict with law or with the appropriate authorizing certificate; (i) the fiscal regulations relating to the obligations; and (j) that these obligations would be legal investments.

To reflect that the Commission would no longer have authority to contract for operating notes, delete the Joint Committee on Legislative Organization's authority to contract for advisory services for the legislative members of the Building Commission on matters related to the issuance of state operating notes. The Committee could continue to contract for such services related to the issuance of long-term state debt and revenue obligations.

Make the following modifications resulting from the transfer of the authority to contract for operating notes from the Commission to DOA: (a) renumber portions of Chapter 18 of the statutes outlining the Building Commission's authority to refer instead to Chapter 16, which outlines DOA's statutory authority; (b) delete the applicable provisions, which delineate the references to types of debts, obligations, and evidences of obligations under the Building Commission authority, to reflect that Commission would no longer have authority to contract for operating notes; and (c) amend existing statutory cross references, including related miscellaneous appropriations, that refer to the Commission's authority (repealed under the bill) to refer instead to the authority provided DOA.

Joint Finance: Delete provision as a non-fiscal policy item.

7. AUTHORITY TO CONTRACT FOR PUBLIC DEBT AND REVENUE OBLIGATIONS

Governor: Specify that at the first meeting of the Building Commission following the enactment of the biennial budget act, the Commission could take any of the following actions:

a. authorize DOA to contract public debt or revenue obligations in an amount not to exceed the amount that the Commission is authorized by the laws of this state to contract. If this authorization would be granted by the Commission, DOA would be required to provide periodic reports regarding the contracting of debt or obligations to the Commission.

b. release an amount not to exceed the amount of state building trust fund moneys to DOA for planning for enumerated projects.

c. authorize DOA to issue revenue obligation refunding obligations.

Extend from one to two years the maximum period that an authorizing resolution approved by the Commission for the contracting of public debt or revenue obligation debt could remain in effect before it expires.

Joint Finance: Delete provision as a non-fiscal policy item.

8. TRANSFER TO BUILDING TRUST FUND

Governor/Joint Finance: Authorize the DOA Secretary, before July 1 2016, to transfer an amount not exceeding $3,000,000 from the unencumbered balance of DOA's capital planning and building construction services program revenue appropriation to the building trust fund. The DOA program revenue appropriation receives moneys for the provision of building construction and capital planning services provided on behalf of state agencies. These amounts include amounts assessed to building program projects by the DOA Division of Facilities Development for their management of those projects and for assistance to the Building Commission in the performance of their duties.

9. GENERAL OBLIGATION BONDING REFUNDING AUTHORITY

Governor/Joint Finance: Increase the bonding authorization for refunding of any outstanding tax-supported or self-amortizing state general obligation debt by $1,500,000,000, from its current level of $3,785,000,000 to $5,285,000,000. These bonds could only be issued if the debt refinancing meets the current law requirement that the true interest costs to the state must be reduced.

These economic refunding bonds would be used to refinance the state's outstanding debt in order to take advantage of lower financing rates. These bonds could not be used to carry out a structural refunding similar to those carried out in recent years. Under those debt restructuring actions, the state issued refunding bonds and used the proceeds on those bonds to make payments on current year principal due on its general obligation debt. This action increased the average life of the debt refunded, and because the debt was outstanding longer, the state incurred higher interest costs.

10. SHORT-TERM DEBT RESTRUCTURING [LFB Paper 176]

Joint Finance: Require that DOA establish a planned amortization schedule for the repayment of principal repayment on the state's short-term, general obligation commercial paper programs, so that a uniform portion of the principal amount of such obligations is planned to be retired annually. Define short-term commercial paper program as a short-term debt obligation issued in lieu of long-term state general obligation debt.

11. CONTRACTING REQUIREMENTS

Joint Finance: Clarify the authority of the Building Commission by statutorily separating the two existing types of alternatives to state construction. Delete a reference to authorizing lease or lease purchase from current law governing the waiver of state contracting requirements, if approved by the Commission. Modify current law governing single prime contracts so that it would not apply to the use of leases or lease purchases in lieu of state construction, but would continue to apply to other alternatives to state construction approved by the Commission. Specify that these changes would first apply to a waiver or an authorization occurring on the effective date of the bill.

BUILDING PROGRAM

Budget Change Items

1. 2015-17 ENUMERATED PROJECTS [LFB Papers 101, 180, and 452)]

	Bldg. Comm. (Chg. to Base)	Jt. Finance (Chg. to B.C.)	Net Change
All Funds	$655,868,000	$192,860,000	$848,728,000

Building Commission: Provide $655,868,000 from all funding sources of enumerated 2015-17 financing authority for: (a) specific enumerated projects ($523,449,500); and (b) all agency projects ($132,418,500).

Specify that funding for these projects be drawn from the following sources: (a) $115,755,700 from existing GPR-supported, general obligation bonding authority that is currently authorized; (b) $277,660,500 from existing PR-supported, general obligation bonding authority that is currently authorized; (c) $1,816,800 from existing SEG-supported, general obligation bonding authority that is currently authorized; (d) $11,880,000 from revenue bonding authority; (e) $1,217,000 from existing revenue bonding authority; (f) $64,359,800 from agency operating funds; (g) $77,645,900 from federal funds; and (h) $105,532,300 from gifts, grants and other receipts.

Joint Finance: Modify the Building Commission's recommendations as follows: (a) provide $86,208,000 in GPR-supported, general obligation bonding and $21,552,000 in gifts, grants, and other receipts for a UW Madison Chemistry Building; (b) provide $15,000,000 in GPR-supported bonding and $25,000,000 in gifts, grants, and other receipts for an Eau Claire Confluence Arts Center project; (c) provide $26,600,000 in existing stewardship bonding for a Kettle Moraine Springs Fish Hatchery project under the Department of Natural Resources (DNR); (d) provide $7,500,000 in existing stewardship bonding and $6,000,000 in agency operating funds for stewardship property development projects under DNR; and (e) provide $5,000,000 in existing stewardship bonding for the Willow River State Park -- Little Falls dam repair or replacement project under DNR.

The funding sources for the 2015-17 enumerated project authority by agency are shown in Table 1. The major agency projects enumerated as part of the 2015-17 state building program, are listed in Table 2.

TABLE 1

Building Commission Recommended Financing Sources for the 2015-17 Enumerated Projects

	New General Obligation Bonds			Revenue	Existing General Obligation	Existing Revenue	Agency Operating	Gifts, Grants,		
	GPR	PR	SEG	Bonds	Bonds	Bonds	Funds	and Other	Federal	Total
Administration	$0	$0	$0	$0	$4,754,500	$0	$0	$0	$0	$4,754,500
Building Commission	0	0	0	0	8,000,000	0	0	30,126,800	0	38,126,800
Corrections	0	0	0	0	11,922,000	0	5,500,000	0	0	17,422,000
Health Services	0	0	0	0	4,868,000	0	0	0	0	4,868,000
Marquette University	0	0	0	0	2,000,000	0	0	2,000,000	0	4,000,000
Military Affairs	0	0	0	0	3,390,000	0	0	0	5,381,000	8,771,000
Natural Resources	0	0	0	0	4,092,200	0	0	0	0	4,092,200
Transportation	0	0	0	11,204,000	0	1,217,000	0	0	0	12,421,000
University of Wisconsin System	0	0	0	0	228,008,000	0	46,069,000	70,097,000	0	344,174,000
Veterans Affairs	0	0	0	0	29,230,000	0	118,000	0	55,472,000	84,820,000
Subtotal	$0	$0	$0	$11,204,000	$296,264,700	$1,217,000	$51,687,000	$102,223,800	$60,853,000	$523,449,500
All agency										
Facilities Maintenance and Repair	$0	$0	$0	$676,000	$44,118,300	$0	$12,672,800	$508,500	$11,058,900	$69,034,500
Utilities Repair and Renovation	0	0	0	0	22,100,000	0	0	1,500,000	5,492,700	29,092,700
Health, Safety and Environmental Protection	0	0	0	0	7,800,000	0	0	0	241,300	8,041,300
Energy Conservation	0	0	0	0	18,750,000	0	0	0	0	18,750,000
Preventative Maintenance	0	0	0	0	250,000	0	0	0	0	250,000
Programmatic Remodeling and Renovation	0	0	0	0	3,700,000	0	0	1,300,000	0	5,000,000
Land and Property Acquisition	0	0	0	0	2,000,000	0	0	0	0	2,000,000
Capital Equipment Acquisition	0	0	0	0	250,000	0	0	0	0	250,000
Subtotal	$0	$0	$0	$676,000	$98,968,300	$0	$12,672,800	$3,308,500	$16,792,900	$132,418,500
TOTAL	$0	$0	$0	$11,880,000	$395,233,000	$1,217,000	$64,359,800	$105,532,300	$77,645,900	$655,868,000

TABLE 1 (continued)

Joint Finance Recommended Financing Sources for the 2015-17 Enumerated Projects

	New General Obligation Bonds			Revenue	Existing General Obligation	Existing Revenue	Agency Operating	Gifts, Grants,		
	GPR	PR	SEG	Bonds	Bonds	Bonds	Funds	and Other	Federal	Total
Administration	$0	$0	$0	$0	$4,754,500	$0	$0	$0	$0	$4,754,500
Building Commission	15,000,000	0	0	0	8,000,000	0	0	55,126,800	0	78,126,800
Corrections	0	0	0	0	11,922,000	0	5,500,000	0	0	17,422,000
Health Services	0	0	0	0	4,868,000	0	0	0	0	4,868,000
Marquette University	0	0	0	0	2,000,000	0	0	2,000,000	0	4,000,000
Military Affairs	0	0	0	0	3,390,000	0	0	0	5,381,000	8,771,000
Natural Resources	0	0	0	0	43,192,200	0	6,000,000	0	0	49,192,200
Transportation	0	0	0	11,204,000	0	1,217,000	0	0	0	12,421,000
University of Wisconsin System	86,208,000	0	0	0	228,008,000	0	46,069,000	91,649,000	0	451,934,000
Veterans Affairs	0	0	0	0	29,230,000	0	118,000	0	55,472,000	84,820,000
Subtotal	$101,208,000	$0	$0	$11,204,000	$335,364,700	$1,217,000	$57,687,000	$148,775,800	$60,853,000	$716,309,500
All agency										
Facilities Maintenance and Repair	$0	$0	$0	$676,000	$44,118,300	$0	$12,672,800	$508,500	$11,058,900	$69,034,500
Utilities Repair and Renovation	0	0	0	0	22,100,000	0	0	1,500,000	5,492,700	29,092,700
Health, Safety and Environmental Protection	0	0	0	0	7,800,000	0	0	0	241,300	8,041,300
Energy Conservation	0	0	0	0	18,750,000	0	0	0	0	18,750,000
Preventative Maintenance	0	0	0	0	250,000	0	0	0	0	250,000
Programmatic Remodeling and Renovation	0	0	0	0	3,700,000	0	0	1,300,000	0	5,000,000
Land and Property Acquisition	0	0	0	0	2,000,000	0	0	0	0	2,000,000
Capital Equipment Acquisition	0	0	0	0	250,000	0	0	0	0	250,000
Subtotal	$0	$0	$0	$676,000	$98,968,300	$0	$12,672,800	$3,308,500	$16,792,900	$132,418,500
TOTAL	$101,208,000	$0	$0	$11,880,000	$434,333,000	$1,217,000	$70,359,800	$152,084,300	$77,645,900	$848,728,000

TABLE 2

State Agency 2015-17 Enumerated Major Projects
Total Project Authority (All Funding Sources)

		Bldg. Comm.	Jt. Finance
Administration			
State Human Services Building Fire Sprinkler Upgrade -- Madison		$4,754,500	$4,754,500
Building Commission			
Carroll University -- Science Laboratory Facility		$26,500,000	$26,500,000
Wisconsin Agriculture Education Center		11,626,800	11,626,800
Eau Claire Confluence Arts Center		0	40,000,000
Total		$38,126,800	$78,126,800
Corrections			
Kettle Moraine Correctional Institution Wastewater Expansion -- Plymouth		$2,000,000	$2,000,000
Oshkosh Correctional Institution Sewer System Upgrade -- Oshkosh		2,000,000	2,000,000
Racine Correctional Institution New Health Services Unit -- Sturtevant		7,922,000	7,922,000
Bureau of Correctional Enterprises -- Waupun and Fox Lake Farm Upgrades		5,500,000	5,500,000
Total		$17,422,000	$17,422,000
Health Services			
Central Wisconsin Center Life Safety Renovations Buildings 1 and 6 -- Madison		$4,868,000	$4,868,000
Marquette University			
Dental Clinic and Educational Facility		$4,000,000	$4,000,000
Military Affairs			
National Guard Readiness Center Renovation -- Milwaukee		$6,000,000	$6,000,000
Hangar Addition -- West Bend		2,771,000	2,771,000
Total		$8,771,000	$8,771,000
Natural Resources			
Willow River State Park Little Falls Dam Repair or Replacement -- Hudson		$3,041,700	$8,041,700
Forest Health Protection Laboratory Renovation -- Fitchburg		1,050,500	1,050,500
Kettle Moraine Springs Fish Hatchery		0	26,600,000
Property Development Projects		0	13,500,000
Total		$4,092,200	$49,192,200
Transportation			
State Patrol Post Relocation and Construction -- Fox Valley		$7,121,000	$7,121,000
New Northeast DMV Service Center -- Milwaukee		2,500,000	2,500,000
Gap Filler Communication Towers -- Statewide		2,800,000	2,800,000
Total		$12,421,000	$12,421,000
University of Wisconsin System			
Eau Claire	Towers Hall Renovation	$32,969,000	$32,969,000
Extension	Lowell Hall South Wing HVAC System Renovation	4,900,000	4,900,000
Green Bay	New Soccer Complex	4,984,000	4,984,000
La Crosse	Recreational Eagle Center Addition	8,616,000	8,616,000
	Wittich Hall Renovation	24,618,000	24,618,000
Madison	South Campus Utility Improvements	15,488,000	15,488,000
	Near West Playfields Upgrades	6,740,000	6,740,000
	New Southeast Recreational Facility	87,541,000	87,541,000
	Chemistry Building	0	107,760,000

		Bldg. Comm.	Jt. Finance
University of Wisconsin System (continued)			
	702 West Johnson Street Acquisition	$6,700,000	$6,700,000
	Police and Security Facility Addition	4,800,000	4,800,000
	Engineering Hall Structures Laboratory Addition	1,615,000	1,615,000
	Veterinary Medicine Clinical Skills Laboratory Addition	1,620,000	1,620,000
	Wisconsin Institutes for Medical Research West Wedge Addition	18,148,000	18,148,000
Milwaukee	New Welcome Center and Center for Entrepreneurship	7,768,000	7,768,000
Oshkosh	Fletcher Hall Renovation and Addition	23,500,000	23,500,000
Platteville	Williams Fieldhouse Addition	15,272,000	15,272,000
Stevens Point	Debot Dining Center Renovation	16,848,000	16,848,000
	May Roach Hall and Smith Hall Renovation	17,377,000	17,377,000
Stout	Bowman Hall Exterior Envelope Maintenance and Repair	8,946,000	8,946,000
	North Hall Renovation and Addition	17,744,000	17,744,000
	Price Commons Renovation	6,744,000	6,744,000
Whitewater	Athletics Complex Buildings	4,236,000	4,236,000
System	Classroom Renovation/Instructional Technology Improvements	7,000,000	7,000,000
Total		$344,174,000	$451,934,000
Veterans Affairs			
Wisconsin Veterans Home at King -- John R. Moses Skilled Nursing Facility		$80,000,000	$80,000,000
Wisconsin Veterans Home at King -- Building 503 Renovations		1,230,000	1,230,000
Central Wisconsin Veterans Memorial Cemetery at King Cemetery Improvements		3,590,000	3,590,000
Total		$84,820,000	$84,820,000
All Agency			
Facility Maintenance and Repair		$69,034,500	$69,034,500
Utilities Repair and Renovation		29,092,700	29,092,700
Health, Safety and Environmental Protection		8,041,300	8,041,300
Energy Conservation		18,750,000	18,750,000
Preventive Maintenance		250,000	250,000
Programmatic Remodeling and Renovation		5,000,000	5,000,000
Land and Property Acquisition		2,000,000	2,000,000
Capital Equipment Acquisition		250,000	250,000
Total		$132,418,500	$132,418,500
Grand Total		$655,868,000	$848,728,000

2. CHANGES TO BONDING AUTHORIZATIONS IN 2015-17 BUILDING PROGRAM

	Bldg. Comm. (Chg. to Base)	Jt. Finance (Chg. to B.C.)	Net Change
BR	- $14,100	$101,208,000	$101,193,900

Building Commission: Decrease general obligation bonding authority by $14,100 for 2015-17 building program projects, as shown in the following table.

Joint Finance: Provide an additional $101,208,000 in general obligation bonding authority for 2015-17 building program projects, including $86,208,000 for UW System academic facilities and $15,000,000 for the Eau Claire Confluence Arts Center, as shown in the following table.

2015-17 Building Program Bonding Authorizations

Purpose	Bldg. Comm.	Jt. Finance
Building Commission		
Eau Claire Confluence Arts Center	$0	$15,000,000
Other public purposes	7,093,700	7,093,700
Wisconsin Agriculture Education Center, Inc.	5,000,000	5,000,000
Carroll University	3,000,000	5,000,000
Capital equipment acquisition	-675,000	-675,000
Swiss Cultural Center	-1,000,000	-1,000,000
Hmong Cultural Centers	-2,000,000	-2,000,000
Marshfield Clinic	-10,000,000	-10,000,000
Corrections		
Correctional facilities	7,271,300	7,271,300
Juvenile correctional facilities	-332,300	-332,300
Self-amortizing facilities and equipment	-5,220,700	-5,220,700
Educational Communications Board		
Educational communication facilities	-334,200	-334,200
Health Services		
Mental health facilities	4,842,400	4,842,400
Historical Society		
Self-amortizing facilities	-127,700	-127,700
Historic Sites	-476,000	-476,000
Historical Society; Wisconsin History Center	-4,000,000	-4,000,000
Museum facility	-15,000,000	-15,000,000
Marquette Dental School		
Dental clinic and educational facility	2,000,000	2,000,000
University of Wisconsin System		
Academic Facilities	0	86,208,000
Self-amortizing facilities	-9,253,200	-9,253,200
Veterans Affairs		
Self-amortizing housing facilities	18,601,600	18,601,600
Veterans facilities	596,000	596,000
Grand Total	-$14,100	$101,193,900

3. WISCONSIN AGRICULTURE EDUCATION CENTER, INC. [LFB Paper 180]

Building Commission/Joint Finance: Enumerate an $11,626,800 agriculture education center in Manitowoc County under the 2015-17 state building program. Authorize the Building

Commission to provide $5,000,000 in GPR-supported bonding to aid in the construction of the facility.

Require that the state funding commitment be in the form of a grant to the Wisconsin Agriculture Education Center, Inc. Specify that before approving any state funding commitment for the construction of the facility, the Building Commission would be required to make a determination that the Wisconsin Agriculture Education Center, Inc. has secured additional funding for the project of at least $6,626,800 from nonstate revenue sources. Require that if the Building Commission makes a grant for the construction of the center, the state would retain an ownership interest in the center equal to the amount of the state's grant if for any reason the facility is not used as an agriculture education center.

Specify that Legislature finds and determines that educating the citizens of this state on where our food comes from and its impact on our lives, and that promoting the dairy and agriculture industries of this state is a statewide responsibility of statewide dimension. It is therefore in the public interest, and it is the public policy of this state, to assist the Wisconsin Agriculture Education Center, Inc., in the construction of an agriculture education center in Manitowoc County.

Specify that the Building Commission could not make a grant to the Wisconsin Agriculture Education Center, Inc. for the construction of a agriculture education center unless DOA has reviewed and approved the plans for the project, although DOA could not supervise any services or work or let any contract for the project. Further specify that the contracts for project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

The fiscal effect of this project is included in the totals under Items 1 and 2.

4. CARROLL UNIVERSITY SCIENCE LABORATORY FACILITY [LFB Paper 180]

Building Commission/Joint Finance: Enumerate a $26,500,000 science laboratory facility at Carroll University in the City of Waukesha under the 2015-17 state building program. Authorize the Building Commission to provide $3,000,000 in GPR-supported bonding to aid in the construction of the facility.

Require that the state funding commitment be in the form of a grant to the Carroll University. Specify that before approving any state funding commitment for the construction of the facility, the Building Commission would be required to make a determination that the Carroll University has secured additional funding for the project of at least $23,500,000 from nonstate revenue sources. Require that if the Building Commission makes a grant for the construction of the facility, the state would retain an ownership interest in the facility equal to the amount of the state's grant if for any reason the facility is not used as science laboratory facility.

Specify that Legislature finds and determines that there is a growing shortage of primary medical care workers in this state, particularly for medically underserved populations in rural and urban areas of the state, and that assisting institutions of higher education in training primary medical care workers is a statewide responsibility of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist Carroll University in the construction of a science laboratory facility.

Specify that the Building Commission could not make a grant to Carroll University for the construction of a science laboratory facility unless DOA has reviewed and approved the plans for the project, although DOA could not supervise any services or work or let any contract for the project. Further specify that the contracts for project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

The fiscal effect of this project is included in the totals under Items 1 and 2.

5. MARQUETTE DENTAL SCHOOL DENTAL CLINIC AND EDUCATIONAL FACILITY

Building Commission/Joint Finance: Provide an additional $2,000,000 in GPR-supported bonding to Marquette University for the construction of a dental clinic and educational facility and enumerate a $4,000,000 dental clinic and educational facility as part of the 2015-17 state building program. The state funding would be in addition to the state's earlier commitment of $23,000,000 toward the facility, and would be used to build out and equip the facility. With this additional state funding and required match the total project cost would be $50,000,000.

Increase from $23,000,000 to $25,000,000 the amount of a state grant that the Building Commission could provide Marquette University for the dental clinic and educational facility. Specify that before the Commission could approve and provide a grant for the $2,000,000 in additional state funding for the facility, the following current law conditions would have to be met; (a) Marquette University would have to obtain from nonstate sources for the project at least equal to the amount of the state grant; (b) the nonstate revenue sources would be reasonable and available; (c) total funding commitments of the state and nonstate sources would permit Marquette University to enter into contracts for the construction of a dental clinic and educational facility; (d) the dental clinic and education facility will not be used for the purpose of devotional activities, religious worship or sectarian instruction; and (e) no religious instruction could be required as a condition for admission to, or graduation from, the Marquette University School of Dentistry.

Increase the Marquette University dental clinic and educational facility GPR-supported bonding authorization from $23,000,000 to $25,000,000 to reflect increase in state funding for the facility.

The fiscal effect of this project is included in the totals under Items 1 and 2.

6. EAU CLAIRE CONFLUENCE ARTS CENTER [LFB Paper 101]

Joint Finance: Enumerate a $40,000,000 Eau Claire Confluence Arts Center project under the 2015-17 state building program. Authorize the Building Commission to issue $15,000,000 in GPR-supported bonding to aid in the construction of the facility. Increase GPR debt service by $1,075,700 in 2016-17 to reflect the issuance of the bonds in the biennium. (The debt service amount is shown under Building Commission.)

Require that the state funding commitment be in the form of a grant to Eau Claire Confluence Arts, Inc. Specify that before approving any state funding commitment for the construction of the facility, the Building Commission would be required to make a determination that the Eau Claire Confluence Arts, Inc. has secured additional funding for the project at least equal to the state's grant. Require that if the Building Commission makes a grant for the construction of the center, the state would retain an ownership interest in the center equal to the amount of the state's grant if for any reason the facility is not used as a regional arts center.

Specify that the Legislature finds and determines that providing education, programming, and access to arts and culture vastly enriches the lives of the citizens of this state and is a statewide responsibility of statewide dimension. Provide that it is therefore in the public interest, and it is the public policy of this state, to assist Eau Claire Confluence Arts, Inc., in the construction of a regional arts center in Eau Claire County.

Specify that the Building Commission could not make a grant to Eau Claire Confluence Arts, Inc. for the construction of a center unless DOA has reviewed and approved the plans for the project, although DOA could not supervise any services or work or let any contract for the project. Further specify that the contracts for project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

The fiscal effect of this project is included in the totals under Items 1 and 2.

7. STATE TRANSPORTATION BUILDING REPLACEMENT -- EXEMPTION FROM LOCAL ZONING

Joint Finance: Specify that the structure or facility that is to be constructed for the benefit, or use, of the state and that was first enumerated under the 2007-09 building program and last modified under the 2013-15 building program as the State Transportation Building replacement in Madison would not be subject to any zoning ordinance or regulation of any city, village, or town.

8. PROJECT AND FUNDING DELETIONS FROM PREVIOUS STATE BUILDING PROGRAMS

Building Commission/Joint Finance: Delete the following projects and related funding from previous biennial state building programs and decrease the project funding totals for those biennial building programs appropriately:

a. Delete $1,000,000 in GPR-supported bonding and project identified as the Swiss Cultural Center - New Glarus under the 1999-01 state building program that was enumerated as a $6,000,000 facility ($1,000,000 in GPR-supported bonding, $1,000,000 in program revenue, and $4,000,000 in gifts, grants, and other receipts). Also, delete legislative findings and determinations related to the statewide need and public purpose for the facility as well as the Building Commission's authority to make a grant to the Center, the requirements related to that grant, and the bonding authorization and debt service appropriation related to the state's grant. No bonding has been issued for the purpose of this project and no state grant has been made for the project.

b. Delete $2,000,000 in GPR-supported bonding and the project identified as the Hmong Cultural Center construction or purchase -- Dane County under the 2007-09 state building program that was enumerated as a $4,500,000 facility ($2,000,000 in GPR-supported bonding and $2,500,000 in gifts, grants, and other receipts). Also, delete legislative findings and determinations related to the statewide need and public purpose for the facility as well as the Building Commission's authority to make a grant to an organization designated by the DOA Secretary that represents the cultural interest of the Hmong people for purchase or construction of a Hmong Cultural Center in Dane County and the requirements related to that grant. No bonding has been issued for the purpose of this project and no state grant has been made for the Dane County project.

The 2007-09 state building program also provided $250,000 in state GPR-supported borrowing for a Hmong Cultural Center to be developed in La Crosse County. As result of the proposed deletion of the Dane County Hmong Cultural Center and because the La Crosse County Hmong Cultural Center has been developed, modify current statutory references that refer to centers to refer instead to a center. Also, modify the bonding authorization and debt service appropriations to refer only to the La Crosse County Hmong Cultural Center project.

c. Delete $10,000,000 in GPR-supported bonding and the project identified as the rural dental education outreach facility -- Marshfield under the 2009-11 state building program that was enumerated as a $20,000,000 facility ($10,000,000 in GPR-supported bonding and $10,000,000 in gifts, grants, and other receipts). Also, delete legislative findings and determinations related to the statewide need and public purpose for the facility as well as the Building Commission's authority to make a grant to the Marshfield Clinic, the requirements related to that grant, and the bonding authorization and debt service appropriation related to the state's grant. No bonding has been issued for the purpose of this project and no state grant has been made for the project.

d. Delete $15,000,000 in GPR-supported bonding and a 2011-13 state building program project identified as the Joint Museum Facility under the State Historical Society that

was enumerated as a $75,000,000 facility to be funded entirely with GPR-supported bonding. However 2011 Act 32 provided only $10,000,000 in GPR-supported bonding for the project and 2013 Act 20 provided an additional $5,000,000 for the project. No bonding has been issued for the purpose of this project.

e. Delete $4,052,000 in GPR-supported bonding and a 2013-15 state building program project identified as the Marshall E. Sherrer Correctional Center -- housing and food service area that was enumerated as a $4,052,000 Department of Corrections project to be funded entirely with GPR-supported bonding. No bonding has been issued for the purpose of this project.

f. Delete $2,118,100 GPR-supported bonding and a 2013-15 state building program project identified as the readiness center, motor vehicle storage, and field maintenance shop -- Wisconsin Rapids. The project was enumerated as Department of Military Affairs project totaling $62,486,100 ($2,118,100 GPR-supported bonding and $60,368,000 in federal funds). No bonding has been issued for the purpose of this project.

g. Delete $65,300,000 in PR-supported bonding and a 2013-15 state building program project identified as the Milwaukee -- Kenilworth lease buyout project that was enumerated as a $65,300,000 UW Milwaukee project to be funded entirely with PR-supported bonding. No bonding has been issued for the purpose of this project.

The fiscal effect of this item is included in the totals under Items 1 and 2.

9. STATEMENT OF BUILDING PROGRAM CONTINUATION

Building Commission/Joint Finance: Continue the building and financing authority enumerated under the previous state building program into the 2015-17 biennium. Each building program is approved only for the current biennium; this provision would continue the past state building program into the 2015-17 biennium.

10. PROJECT LOANS

Building Commission/Joint Finance: Authorize the Building Commission, during the 2015-17 biennium, to make loans from general fund-supported borrowing or the building trust fund to state agencies for any 2015-17 building program projects funded from non-GPR sources.

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$1,995,800	$1,990,000	$1,990,000	$0	0.0%	- $5,800	- 0.3%
FED	1,272,600	1,265,400	1,265,400	0	0.0	- 7,200	- 0.6
PR	2,723,600	2,797,000	2,797,000	0	0.0	73,400	2.7
SEG	30,000	30,000	30,000	0	0.0	0	0.0
TOTAL	$6,022,000	$6,082,400	$6,082,400	$0	0.0%	$60,400	1.0%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	1.00	0.00	0.00	0.00	-1.00
FED	1.00	1.00	1.00	0.00	0.00
PR	4.00	5.00	5.00	0.00	1.00
TOTAL	6.00	6.00	6.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $5,800
FED	- 7,200
PR	- 151,800
Total	- $164,800

Governor/Joint Finance: Adjust the base budget for: (a) removal of non-continuing elements from base (-$50,000 PR annually); (b) full funding of salaries and fringe benefits (-$2,900 GPR, -$3,600 FED, and -$35,700 PR annually); and full funding of lease and directed moves ($9,800 PR annually).

2. EXPENDITURE AUTHORITY FOR OPERATIONS

PR	$225,200

Governor/Joint Finance: Increase expenditure authority for the operations of the Child Abuse and Neglect Prevention Board (CANPB) by $112,600 PR annually, funded with birth certificate revenue. The funding would support staffing costs associated with filling two positions that were previously vacant.

3. PROGRAM REVENUE OPERATIONS CARRYOVER

Governor/Joint Finance: Provide that any amounts in the general program operations appropriation account that are unexpended and unencumbered at the close of a fiscal year will be transferred to the grants to organizations appropriation account. In addition, allow CANPB the discretion to transfer, at any time, any amount in the general program operations appropriation to the grants to organizations appropriation account. Both appropriations are funded with fees charged for the issuance of birth certificates.

4. POSITION REALIGNMENT

	Positions
GPR	- 1.00
PR	1.00
Total	0.00

Governor/Joint Finance: Transfer a position from the GPR aids to individuals and organizations appropriation to the PR state operations appropriation. The transfer is revenue-neutral due to offsetting transfers within GPR and PR operations and aids appropriations.

5. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that CANPB annually lapse $228,400 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 also applies to 2016-17. [See "Budget Management and Compensation Reserves."]

CHILDREN AND FAMILIES

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$716,221,000	$857,058,200	$864,322,100	$7,263,900	0.8%	$148,101,100	20.7%
FED	1,372,503,800	1,389,793,200	1,383,834,500	- 5,958,700	- 0.4	11,330,700	0.8
PR	201,578,400	228,623,900	229,785,500	1,161,600	0.5	28,207,100	14.0
SEG	18,679,400	18,544,400	18,544,400	0	0.0	- 135,000	- 0.7
TOTAL	$2,308,982,600	$2,494,019,700	$2,496,486,500	$2,466,800	0.1%	$187,503,900	8.1%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	220.90	231.92	231.92	0.00	11.02
FED	378.81	370.27	374.27	4.00	- 4.54
PR	203.40	189.82	190.82	1.00	- 12.58
TOTAL	803.11	792.01	797.01	5.00	- 6.10

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$639,000	0.00
FED	549,400	- 6.00
PR	611,200	0.00
Total	$1,799,600	- 6.00

Governor/Joint Finance: Make adjustments to the base budget of $955,600 in 2015-16 and $844,000 in 2016-17 for: (a) turnover reduction (-$246,500 GPR and -$281,200 PR annually); (b) removal of non-continuing items (-$206,500 FED and -6.00 FED positions in 2016-17); (c) full funding of continuing position salaries and fringe benefits ($122,600 GPR, $242,100 FED, and $382,200 PR annually); (d) overtime ($237,500 GPR, $20,700 FED, and $4,200 PR annually); (e) night and weekend differential ($130,000 GPR, $11,300 FED, and $1,300 PR annually); (f) full funding of lease and directed moves costs ($61,500 GPR, $89,000 FED, and $180,900 PR in 2015-16 and $90,300 GPR, $118,700 FED,

and $217,300 PR in 2016-17); and (g) minor transfers within the same appropriation. These amounts do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the Wisconsin Works (W-2) program ($109,900 FED in 2015-16 and $93,200 FED in 2016-17), which are included in separate entries under "Economic Support and Child Care."

2. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Department of Children and Families (DCF) annually lapse $592,200 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

3. ELIMINATE LONG-TERM VACANCIES

Governor/Joint Finance: Eliminate 1.02 GPR, 6.48 FED, and 9.60 PR positions that have been vacant for twelve months or longer. Decrease funding by $72,300 GPR annually.

	Funding	Positions
GPR	- $144,600	- 1.02
FED	0	- 6.48
PR	0	- 9.60
Total	- $144,600	- 17.10

4. TRANSFER VACANT POSITION TO DEPARTMENT OF ADMINISTRATION FOR INFORMATION TECHNOLOGY PROCUREMENT [LFB Paper 113]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $170,800	- 1.00	$170,800	1.00	$0	0.00

Governor: Transfer 1.0 vacant position to the Department of Administration (DOA) for strengthening information technology and services procurement. Delete $85,400 annually from DCF's administrative and support services appropriation associated with the position. [See "Administration -- Transfers."]

Joint Finance: Delete provision.

5. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Position
FED	- 1.00

Governor: Delete 1.0 position identified by the administration as being generally related to marketing or communications. The position would be deleted from DCF's economic support federal block grant operations appropriation. Associated funding ($62,800 annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a

destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting funding associated with the positions, rather than reallocating funding to supplies and services. The funding decrease is included in a separate entry under "Economic Support and Childcare -- Child Care Administration."

6. FEDERAL AND PROGRAM REVENUE REESTIMATES [LFB Paper 195]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$10,248,100	$0	$10,248,100
PR	7,470,300	- 1,956,000	5,514,300
Total	$17,718,400	- $1,956,000	$15,762,400

Governor: Provide increases of $9,452,000 ($5,710,800 FED and $3,741,200 PR) in 2015-16 and $8,266,400 ($4,537,300 FED and $3,729,100 PR) in 2016-17 to reflect the reestimates in the following table:

Program and Federal Revenue Reestimates

	2015-16	2016-17
Abstinence Grant Funding (FED)	-$622,500	-$622,500
Child Abuse Prevention and Treatment Act (CAPTA) Funding (FED)	24,700	24,700
CAPTA Training and Technical Assistance Funding (FED)	13,700	13,700
Chafee Education and Training Vouchers Funding (FED)	18,000	18,000
Chafee Foster Care Independence Program Funding (FED)	-43,100	-43,100
Child Support State Operations (FED)	582,400	582,400
Child Support Local Assistance (FED)	-4,757,400	-4,805,900
Child Support Noncustodial Parent Employment Demonstration (FED)	425,000	400,000
Child Welfare Education Collaboration (FED)	-123,000	-123,000
Community Services Block Grant Funding (FED)	598,900	598,900
Domestic Abuse Funding (FED)	177,900	177,900
Home Visiting Funding for Program Operations (FED)	-500,000	-500,000
Home Visiting Funding for Aids to Localities (FED)	3,022,500	3,022,500
Race to the Top Funding (FED)	2,100,000	2,100,000
Refugee Assistance Funding (FED)	1,515,000	1,515,000
State Foster Care and Adoption Assistance (FED)	1,804,400	1,804,400
Title IV-B, Part 1 (FED)	-9,600	-9,600
Title IV-B, Part 2 (FED)	183,900	183,900
Title IV-E (FED)	1,300,000	200,000
Domestic Abuse Grants (PR)	-200,000	-200,000
Gifts and Grants (PR)	5,000	5,000
Income Augmentation Funds for Program Improvement Plan (PR)	-526,900	-526,900
Income Augmentation Funds for SAFE Milwaukee (PR)	850,000	850,000
Income Augmentation Funds for Offender Re-entry Program (PR)*	978,000	978,000
Project Launch (PR)	27,500	27,500
Race to the Top Funding (PR)	2,100,000	2,100,000
Social Services Block Grant Operations Funding (PR)	507,600	495,500
FED Total	$5,710,800	$4,537,300
PR Total	3,741,200	3,729,100
Total	$9,452,000	$8,266,400

*The Joint Committee on Finance transferred the income augmentation funding for the Milwaukee Offender program to the general fund in its meeting on November 12, 2014.

The table represents the most recent estimates of revenues that DCF anticipates would be received from ongoing federal grant and program funding. The largest revenue reestimate is federal matching funds for child support local assistance generated by county expenditures. The decrease represents an updated estimation of county expenditures and does not reflect a change in federal policy or a reduction in federal funding. These funds are deposited into a continuing all monies received appropriation; therefore any county expenditures above the estimated amount would generate additional federal matching funds which would be passed through to the counties.

Joint Finance: Reduce funding by $978,000 PR annually to remove the income augmentation funding for the Milwaukee Offender program that was transferred to the general fund by the Joint Committee on Finance in its meeting on November 12, 2014, and inadvertently reflected in the program revenue estimates under the bill.

7. POSITION AND FUNDING REALIGNMENT [LFB Paper 196]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $90,600	0.00	$0	0.00	- $90,600	0.00
FED	489,400	2.98	53,200	0.00	542,600	2.98
PR	- 328,800	- 2.98	- 53,200	0.00	- 382,000	- 2.98
Total	$70,000	0.00	$0	0.00	$70,000	0.00

Governor: Increase funding by $35,000 (-$45,300 GPR, $244,700 FED, and -$164,400 PR) annually, and add 2.98 FED positions and delete 2.98 PR positions, beginning in 2015-16, to more accurately reflect the needs and organizational structure of DCF. The adjustments reflect salary, fringe, supplies and services, and positions, but do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the W-2 program (-$34,700 FED annually), which are included in separate entries under "Economic Support and Child Care."

Joint Finance: Restore 0.50 FED position and delete 0.50 PR position ($53,200 FED and -$53,200 PR) in 2015-16 to reflect that the realignment for a position in the Bureau of Youth Services would begin in 2016-17 instead of 2015-16. The source of the federal funding is federal abstinence grant funds. In addition, in order to more accurately reflect the duties of the position, transfer $41,900 FED and 0.34 FTE position authority for a program and policy analyst position in the Bureau of Child Support from the economic support federal project activities and administration appropriation to the economic support child support state operations; federal funds appropriation.

8. SURPLUS RETENTION LIMITATIONS FOR PROVIDERS OF RATE-BASED SERVICES AND RATE-REGULATED SERVICES

Joint Finance: Modify statutory contracting requirements for rate-based services and rate-regulated services as detailed below. Specify that these changes would take effect on January 1, 2016, and would first apply to contracts commencing performance on that date.

Current law enables DCF, the Department of Health Services (DHS), the Department of Corrections (DOC), and counties to enter into rate-based contracts with private agencies (and counties) to provide social services, child welfare, economic support, public assistance, and correctional services to the public. Rate-based contracts procure client services on the basis of a unit rate per client. For proprietary agencies, such contracts provide a separate fixed add-on for profits. The Joint Finance provision would specify that a "rate-regulated service" means a rate-based service that is reimbursed through a rate established under s. 49.343 (rate regulation of residential care centers, group homes, and child welfare agencies by DCF).

Currently, nonprofit providers (and counties) are permitted to keep a portion of the excess revenue generated by a rate-based service. Retention of the surplus is meant to allow the provider to build a reserve that can be used to cover costs in other years for which the unit cost is

inadequate to cover the costs under the contract. For DCF and DHS, retention of excess revenue has historically been limited by a two part test: a 5% annual limit and a 10% cumulative limit over four contract periods. Contracts may specify an annual retention limit lower than 5%. The Joint Finance provision would repeal the 10% cumulative limit and prevent purchasers (counties, DCF, DHS, and DOC) from negotiating contracts which set an annual retention limit smaller than 5%.

In calculating the retained amount for nonprofits and in calculating profits for proprietary agencies, the Joint Finance provision would permit agencies to: (a) offset surpluses and losses across all rate-regulated services; (b) offset surpluses in rate-regulated contracts generated by affiliated providers against deficits generated by affiliated providers (but not below zero); and (c) offset surpluses and deficits in both rate-based and rate-regulated contracts from a preexisting provider in the event of a merger, sale, or other transfer. If the surplus retained by a nonprofit provider for a rate-based service under all contract periods ending in the calendar year exceeds 5% of the total revenues under such contracts as of December 31, then the provider would have to provide written notice of the amount of the excess to all purchasers under those contracts. The provider would have to return a purchaser's proportional share of the overall excess if that purchaser provides a written request no later than six months after the date the purchaser receives the written notice of the excess.

The Joint Finance provision would also specify that that the retained surplus may be used for any allowable purpose under federal law in the sole discretion of the provider. Purchasers would not be entitled to restrict the use of the funds for such purposes. Further, the provision would specify that there would be no guarantee of a surplus under a contract for rate-based or rate-regulated services.

Children and Families

1. MILWAUKEE CHILD WELFARE [LFB Papers 200, 201, and 202]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $873,000	11.04	$6,538,900	0.00	$5,665,900	11.04
FED	371,600	0.96	2,559,900	0.00	2,931,500	0.96
PR	1,773,000	0.00	3,000,000	0.00	4,773,000	0.00
Total	$1,271,600	12.00	$12,098,800	0.00	$13,370,400	12.00

Governor: Reduce funding by $365,200 (-$1,127,100 GPR, $2,000 FED, and $759,900 PR) in 2015-16 and increase funding by $1,636,800 ($254,100 GPR, $369,600 FED, and $1,013,100 PR) in 2016-17 to reflect the projected costs of aids, operations, and reorganizational expenses of the Bureau of Milwaukee Child Welfare (BMCW). In addition, create 11.04 GPR

and 0.96 FED positions beginning 2015-16. The federal funding would be available under Title IV-E of the Social Security Act. The program revenue would be from child support and supplemental security income (SSI) benefits for children in out-of-home care that are retained by the state to offset the costs of providing out-of-home care to those children.

Division of Milwaukee Child Welfare. Increase funding by $102,200 GPR and $8,800 FED in 2015-16 and $136,300 GPR and $11,900 FED in 2016-17 to create a Division of Milwaukee Child Welfare in DCF and provide a 0.92 GPR and 0.08 FED administrator position beginning in 2015-16. Under current law, child welfare services are provided by BMCW in the DCF Division of Safety and Permanence. The bill would modify the organizational structure of DCF and increase the number of division administrator positions authorized to be employed outside the classified service in DCF from eight to nine.

Milwaukee Child Welfare Aids and Operations. Reduce funding by $476,200 (-$1,229,300 GPR, -$6,800 FED, and $759,900 PR) in 2015-16 and increase funding by $1,488,600 ($117,800 GPR, $357,700 FED, and $1,013,100 PR) in 2016-17 to reflect the following:

a. Projected changes in caseload and service expenditures (-$404,200 GPR and -$1,200,000 FED in 2015-16 and $941,500 GPR and -$856,100 FED in 2016-17);

b. Increases in aids contracts ($145,900 GPR and $156,100 FED annually);

c. Changes to federal Title IV-E claiming rates (-$971,000 GPR and $971,000 FED in 2015-16 and -$969,600 GPR and $969,600 FED in 2016-17);

d. The creation of 11.0 FTE positions (10.12 GPR and 0.88 FED) beginning in 2015-16 funded with $826,000 ($759,900 GPR and $66,100 FED) in 2015-16 and $1,101,200 ($1,013,100 GPR and $88,100 FED) in 2016-17 to improve the review of cases of potential or reported child abuse and neglect; and

e. The transfer of increased child support collections between aids appropriations to fund the reassignment of GPR for the positions described above (-$759,900 GPR and $759,900 PR in 2015-16 and -$1,013,100 GPR and $1,013,100 PR in 2016-17).

Joint Finance: Modify the Governor's recommendations as follows.

Division of Milwaukee Child Welfare. Require that the restructuring of BMCW into a division may not change the responsibilities and duties of the Milwaukee Child Welfare Partnership Council. Also, make a technical correction to change the 0.08 GPR administrator position from classified to unclassified.

Milwaukee Child Welfare Operations. Provide $500,000 GPR annually to the Joint Committee on Finance's GPR supplementation appropriation for enhanced employee retention policies at BMCW consistent with the 2015-17 compensation plan adopted by Joint Committee on Employment Relations (JOCER). Require DCF to submit a retention plan for approval by the Joint Committee on Employment Relations (JOCER). Upon approval by JOCER, all funds would be released to DCF.

Milwaukee Child Welfare Aids. Increase aids funding by $6,894,200 ($2,468,600 GPR, $1,425,600 FED, and $3,000,000 PR) in 2015-16 and increase funding by $5,204,600 ($4,070,300 GPR and $1,134,300 FED) in 2016-17 in order to support:

a. Reestimated out-of-home care costs for foster care, supervised independent living placements, and out-of-state residential care centers ($2,927,800 GPR, $1,402,600 FED, and $3,000,000 PR in 2015-16 and $4,529,500 GPR and $1,111,300 FED in 2016-17);

b. Projected changes in caseload and service expenditures in the wraparound program (-$1,342,100 GPR and -$91,500 FED annually); and

c. Reestimated costs of aids contracts ($882,900 GPR and $114,500 FED annually).

2. FOSTER CARE, ADOPTION ASSISTANCE, AND SUBSIDIZED GUARDIANSHIP

FED	- $7,381,700

Governor/Joint Finance: Decrease funding by $3,842,100 in 2015-16 and $3,539,600 in 2016-17 based upon reestimate of state adoption, foster care, and subsidized guardianship caseloads and federal claiming rates. The anticipated reduction in state spending on caseloads would be repurposed to fund anticipated increases in special needs adoptions contracts. The estimated decrease in caseloads and decrease in state spending on foster care, adoption assistance, and subsidized guardianship results in a decrease of federal matching funds made available under Title IV-E of the Social Security Act.

3. OUT-OF-HOME CARE EXTENSION [LFB Paper 203]

GPR	$1,879,400
FED	437,900
Total	$2,317,300

Governor: Increase funding by $1,066,400 ($868,500 GPR and $197,900 FED) in 2015-16 and $1,250,900 ($1,010,900 GPR and $240,000 FED) in 2016-17 to fund the extension of out-of-home care to certain youth over the age of 18 who would otherwise "age out" of foster care. Funding would support the second and third years of the four-year phase-in of the extension under 2013 Act 334. The funding would not, however, support monthly case management services for such persons. The federal funding is provided under Title IV-E of the Social Security Act.

The bill would require DCF to promulgate rules governing the provision of subsidized guardianship payments, kinship care payments, and adoption assistance to any child 18 years of age or older. The bill would also make the below described changes to statutory provisions relating to the extension of out-of-home care to individuals older than 18.

Extension of Out-of-Home Care. Under current law, children may be placed in out-of-home care by the juvenile court by: (a) a child in need of protective services court order (generally when the removal of a child from his or her home and placement into out-of-home care is necessary to assure the child's safety); (b) a juvenile in need of protection or services court order, as a result of certain behaviors, including being uncontrollable, running away, or truancy; or (c) a delinquency court order, as a result of a criminal act. A child may also be

placed outside the home via a voluntary placement agreement between a parent and a caregiver and involving a child welfare agency.

Unless the judge specifies a shorter period of time, a dispositional court order that places, or continues placement of, the child in out-of-home care terminates on the latest of the following dates: (a) the day the child reaches 18 years of age; (b) one year after the order is entered; or (c) the day the child is granted a high school or high school equivalency diploma or, if earlier, the day the child reaches 19 years of age. Act 334 permits a child who is in out-of-home care and who has an individualized education program (IEP) to continue in such care until the child is granted a high school diploma or its equivalent or until he or she reaches 21 years of age, whichever occurs first, if: (1) the child is a full-time student at a high school or its vocational or technical equivalent (full-time student); and (2) the child is 17 years of age or older when the dispositional order is entered and the child (or the child's guardian) agrees to the order. A dispositional order may be extended upon request, or on the court's motion, for a hearing for review.

For those in out-of-home care whose dispositional order would terminate after attaining the age of 18, not less than 120 days before the dispositional order terminates, the agency primarily responsible for providing services under the order must request that the youth indicate whether he or she wishes to be discharged from out-of-home care or wishes to continue in out-of-home care under a voluntary transition-to-independent-living agreement. If the child wishes to continue in out-of-home care, the agency will enter into such an agreement. Otherwise, the agency must request a transition-to-discharge hearing (and provide services to assist the youth's transition out of the out-of-home care system into independent living).

The bill would clarify that the above process for extending out-of-home care also applies to persons in shelter care placements on the date the juvenile court's order expires.

Transition-to-Independent-Living Agreements. As stated above, extended placement in out-of-home care can be provided through a court order or a transition-to-independent living agreement. Under a transition-to-independent-living agreement, the agency provides services to the person to assist him or her in transitioning to independent living while remaining within the out-of-home care system. The youth may continue in out-of-home care as a full-time student under an IEP until reaching 21 years of age or attaining a high school or high school equivalency diploma.

The bill would: (a) require the agency executing the transition-to-independent-living agreement to petition the juvenile court for a hearing (and provide notice to the child and guardian); (b) require the juvenile court to determine whether placement of the child in out-of-home care under the agreement is in the best interests of the child (best interest hearing); (c) provide that if DCF, the Department of Corrections (DOC), or a county enters into such an agreement with a child, the agreement must specifically state that DCF, DOC, or the county has placement and care responsibility for the child and has primary responsibility for providing services to the child; and (d) create an appeal procedure under which any person who is aggrieved by the failure of an agency to enter into such an agreement or by an agency's termination of such an agreement has the right to a contested case hearing under the state laws of

administrative procedure.

Under current law, during the 90 days immediately preceding the termination of the juvenile court order placing the child in out-of-home-care, the agency primarily responsible for providing services to the youth must provide assistance and support in developing a plan for the youth's transition from out-of-home care to independent living. The bill would require the agency to also provide such services during the 90 days immediately preceding the termination of a voluntary transition-to-independent-living agreement.

Permanency Plan and Review. Under current law, for each child placed in out-of-home care under a juvenile court order or under a voluntary agreement, the agency assigned the responsibility for placing or providing services to the child must prepare a written permanency plan. Permanency plans must be reviewed by the court (or a panel appointed by the court) no later than six months after removal from the home and every six months thereafter for as long as the child is placed outside of the home. The court is required to hold a permanency hearing within 12 months after removal and at least every 12 months thereafter. This hearing may be held either in place of, or in addition to, a review.

Under current law, the permanency plan identifies the goal for a permanent placement for the child and the services to be provided to achieve the permanence goal. Permanence goals can include: (a) reunification with the child's family; (b) permanent placement with a fit and willing relative; (c) placement of the child for adoption; (d) placement of the child with a guardian; (e) some other planned permanent living arrangement that includes an appropriate, enduring relationship with an adult, including sustaining care or long-term foster care; or (f) transition to independent living if the child has attained 18 years of age.

The bill would require a permanency plan to be prepared for a child who is placed outside the home under a voluntary transition-to-independent-living agreement. The bill would also modify the allowable goals of permanency plans. Goal (f), above, would be repealed. Instead, goal (e) would be amended to remove long-term foster care and substitute the goal of transitioning to independence (at any age).

Under current law, if the youth is subject to an order which would terminate as a result of the youth attaining a high school diploma or reaching the age of 21, then the court (or panel) must review the appropriateness of the transition-to-independent-living plan, the extent of compliance with that plan, and the progress toward making the transition to independent living. The bill would similarly require review when the youth is the subject of transition-to-independent-living agreement.

Under current law, if the youth has been outside the home for 15 or more months out of the most recent 22 months, then the court (or panel) must also review the appropriateness of the permanency plan and the circumstances preventing the achievement of its goals. The bill would include into such reviews the goal of transitioning to independent living and the circumstances which are preventing such transition.

Adoption Assistance and Subsidized Guardianship. In order to assure the adoption of children with special needs, DCF makes monthly adoption assistance maintenance payments to

the adoptive or proposed adoptive parents of a child after an adoption agreement has been signed and the child is placed in their home. Monthly adoption assistance payments range from $0 to $2,000, depending on the applicable uniform foster care rate in effect at the time the adoption agreement was made, the circumstances of the adoptive parents, and the needs of the child.

Subsidized guardianship is a permanent placement option for children in out-of-home care that transfers legal authority to a relative or guardian without terminating parental rights. Payments are provided to guardians under a subsidized guardianship agreement if certain conditions are met. The initial amount of the monthly payment is based on the circumstances of the guardian and the needs of the child but may not exceed the monthly foster care payment received in the month immediately preceding the guardianship order.

Federal law requires that any extension of foster care to children over the age of 18 also apply to adoption agreements and subsidized guardianship agreements executed after the child attains the age of 16. 2013 Act 334 did not expressly provide for such an extension. Current law generally provides that subsidized guardianship and adoption assistance payments end when the child attains 18 years of age. Adoption assistance and subsidized guardianship may be continued after the adoptee reaches the age of 18 if that adoptee is a full-time high school student.

The bill would conform the extension of out-of-home care under Act 334 to federal law by expanding adoption assistance and subsidized guardianship payments to youth up to the age of 21 who are full-time students with an IEP whose adoption or subsidized guardianship agreement came into effect after age 16.

Further, the bill would clarify and codify current law and administrative rules such that subsidized guardianship payments may be made and adoption assistance may be provided after age 18 for youth: (a) under the age of 19 who are full-time students at a secondary school, or its vocational or technical equivalent, and are reasonably expected to complete school prior to the age of 19; and (b) under 21 years of age who are full-time students, have a mental or physical disability that warrants the continuation of payments, are not eligible for social security disability insurance or supplemental security income payments, and otherwise lack adequate resources to continue in secondary school or its vocational or technical equivalent. The bill would make clear that full-time students qualify for the above extensions at the vocational or technical equivalent of high school.

Kinship Care. The kinship care program is designed to help support a child who resides outside of the home with a relative, rather than placing the child in foster care or other out-of-home placement. The relative does not necessarily assume guardianship of the child. Kinship care relatives who provide care and maintenance for one or more children may receive a payment of $232 per child per month if certain requirements are met.

Under current law, kinship care payments generally end when the child attains 18 years of age. However, kinship care payments may be made until: (a) the child attains 19 years of age if the child is a full-time student reasonably expected to graduate; or (b) the child attains 21 years of age if the child is a full-time student and an IEP is in effect for the child.

The bill would modify (b) above, such that an extension of payments until age 21 requires as a condition for eligibility that the child be placed in the home of the kinship care relative under either an order of the court or under a voluntary transition-to-independent-living agreement.

Community-Based Residential Facility Exception. A community-based residential facility (CBRF) is a place where adults reside and receive care, treatment, and services that are above the level of room and board, including up to three hours of nursing care per week. A CBRF may admit and provide services for various persons, such as those with advanced age, mental health problems, or physical disabilities.

Under current law, subject to certain exceptions, a facility where five or more adults (who do not require care above intermediate level nursing care) reside and receive care, treatment, or services that are above the level of room and board must be licensed as a community-based residential facility. The bill would provide an exception for foster homes, group homes, and residential care centers such that they would not have to be licensed as a CBRF in order to provide care to youth over the age of 18 pursuant to a voluntary transition-to-independent living agreement, under a juvenile court order, or under the placement and care responsibility of another state. Foster homes, group homes, and residential care centers would continue to be licensed as such by DCF.

Joint Finance: Modify the language of the bill to provide a more limited exception from CBRF licensing so that DCF licensed group homes and residential care centers would not have to be licensed through DHS as a CBRF in order to provide care pursuant to s. 48.366 or 938.366 of the statutes (extension of out-of-home care for youth with an IEP). Also, clarify that venue for a permanency hearing and review must be in the county in which the most recent dispositional order was issued.

Further, modify the bill to require that: (a) the agency must petition the juvenile court for a best interest hearing within 150 days of executing a voluntary transition-to-independent living agreement; (b) any determination by the court at the best interest hearing must be on a case-by-case basis based on circumstances specific to the child and must document or reference the specific information on which the findings are based; (c) the agency must provide the specific information regarding why the placement is in the child's best interest; (d) the court must make the determination no later than 180 days into the voluntary placement; and (e) no continuance may be granted for a best interest hearing if the continuance would extend the hearing beyond 180 days of the child's voluntary placement. The above statutory changes would apply to both the children's code (Chapter 48) as well as the juvenile justice code (Chapter 938).

4. CHILDREN AND FAMILIES ALLOCATION (CFA)

GPR	- $6,250,000
FED	9,723,800
PR	- 1,192,400
Total	$2,281,400

Governor/Joint Finance: Increase funding by $1,140,700 (-$1,250,000 GPR, $2,794,900 FED, and -$404,200 PR) in 2015-16 and $1,140,700 (-$5,000,000 GPR, $6,928,900 FED, and -$788,200 PR) in 2016-17 for the children and families aids (CFA) allocation to reflect base reestimates. Also, make a revenue-neutral transfer of Adam Walsh funding of $135,900 ($99,200 GPR and $36,700 FED) annually from

program operations into the CFA, which is used for finger printing prospective foster and adoptive parents as part of the background check process.

Aids funding received from the Social Services Block Grant (SSBG) would decrease by $404,200 PR in 2015-16 and $788,200 PR in 2016-17 due to: (a) a reduction in funds from the federal temporary assistance for needy families (TANF) block grant transferred by the Department of Health Services (DHS) for SSBG aids of $424,500 PR in 2015-16 and $790,800 PR in 2016-17; and (b) an increase of $20,300 PR in 2015-16 and $2,600 PR in 2016-17 in base funding received from DHS.

Funding would increase under Title IV-B, subpart 1 ($601,600 FED in 2015-16 and $505,600 FED in 2016-17) and IV-E ($943,300 in 2015-16 and $1,423,300 in 2016-17) of the Social Security Act to reflect CFA base reestimates for: (a) maintaining the ongoing costs of the foster care rate increase approved by 2013 Act 20; (b) maintaining the ongoing costs of the extension of out-of-home care (OHC) approved under 2013 Act 334; and (c) accounting for expected "sequestration" reductions in federal funding that did not occur.

Finally, an increase of funding received under Title IV-E would replace an equivalent amount of funding previously provided by GPR (-$1,250,000 GPR and $1,250,000 FED in 2015-16 and -$5,000,000 GPR and $5,000,000 FED in 2016-17).

Including that portion of the above described funding for the foster care out-of-home extension included within the CFA, the following table shows that the total CFA would be $68,264,800 in 2015-16 and $68,327,900 in 2016-17.

	2015-16	2016-17
Adjusted CFA Base (2014-15)	$67,591,700	$67,591,700
OHC Extension	537,200	600,300
Adam Walsh Funding Transfer	135,900	135,900
Total	$68,264,800	$68,327,900

5. CHILD PROTECTIVE SERVICES APPEALS

GPR	$175,400

Governor/Joint Finance: Provide $87,700 annually to support full implementation of the child protective services appeals process created in 2013 Wisconsin Act 20.

6. DOMESTIC ABUSE SERVICES FUNDING [LFB Paper 204]

GPR	$5,000,000

Governor/Joint Finance: Increase funding for domestic abuse grants by $5,000,000 in 2016-17 to enhance services to victims of domestic abuse and their families. Additional funding was recommended in the 2014-2020 Long Range Plan for a Safe Wisconsin, created by the Wisconsin Governor's Council on Domestic Abuse and End Domestic Abuse Wisconsin. The additional funding would be used to help maintain, strengthen and expand core services to serve domestic violence victims and their children. Total funding under the bill would be $9,557,600 ($7,434,600 GPR, $1,549,800 FED, and $573,200 PR) and $14,557,600 ($12,434,600 GPR, $1,549,800 FED, and $573,200 PR) in 2016-17.

7. SERVICES FOR CHILD VICTIMS OF SEX TRAFFICKING [LFB Paper 205]

GPR	$2,000,000

Governor/Joint Finance: Provide $2,000,000 in 2016-17 to purchase or provide treatment services for children who are victims of sex trafficking. Require DCF to ensure that treatment and services are available to children in all geographic areas of the state, including both urban and rural communities.

8. YOUTH AIDS TRANSFER [LFB Paper 253]

	Funding	Positions
GPR	$138,454,400	1.00
FED	3,714,900	0.00
PR	112,500	0.00
Total	$142,281,800	1.00

Governor: Transfer the administrative responsibilities for Youth Aids, and related aids programs for juvenile offenders, from DOC to DCF. Funding of $47,427,400 ($46,151,600 GPR, $1,238,300 FED and $37,500 PR) in 2015-16 and $94,854,400 ($92,302,800 GPR, $2,476,600 FED, and $75,000 PR) in 2016-17 as well as 1.0 FTE position would transfer to DCF.

Current law requires DOC to supervise the administration of juvenile delinquency-related services, to allocate to counties various state and federal moneys to pay for those services (commonly referred to as "youth aids"), to develop standards for the development and delivery of those services, and to provide consultation and technical assistance to counties in the implementation and delivery of those services. Current law also requires each county to annually submit its final budget for those services to DOC and to enter into a contract with DOC for the allocation of youth aids moneys. DOC may make advance payments prior to the beginning of each month in an amount equal to one-twelfth of the contracted amount.

Effective on January 1, 2016, the bill would redefine juvenile delinquency-related services into two separate categories: "community-based juvenile delinquency-related services" and "juvenile correctional services." The bill would transfer from DOC to DCF the responsibility for allocating youth aids to counties and for supervising the administration of community-based juvenile delinquency-related services. DOC would retain responsibility for supervising the administration of juvenile correctional services.

The bill would set the amounts of youth aids to be allocated to counties in the 2015-17 fiscal biennium. The bill removes the provisions allowing advance payments before the beginning of the month in amounts equal to one-twelfth of the contracted amount. For additional information see "Corrections -- Juvenile Justice."

Joint Finance: Modify the bill to incorporate clarifications identified by DOC and DCF and to make various corrections, including to: (a) refine the definitions of "juvenile justice services" and "community-based juvenile delinquency-related services"; and (b) delete references to counties "providing" or "administering" juvenile correctional services, because such services would continue to be purchased by counties from DOC. Also, the 1.0 FTE position would be funded from DCF's general program operations appropriation instead of its new local assistance GPR appropriation. For additional information see "Corrections -- Juvenile Justice."

9. READ TO LEAD TRANSFER [LFB Paper 340]

GPR	$47,200

Governor: Transfer the Read to Lead Development Council and its appropriations ($23,600 GPR annually) to DCF and appoint the Secretary of DCF (or his or her designee) as chairperson.

For more information, see "Governor - Transfer of Read to Lead Grant Program to Children and Families."

Joint Finance: Modify the Governor's recommendation to transfer the Read to Lead Development Council and its appropriations to DCF to delete the Governor's Read to Lead Development Fund and its two associated SEG sum sufficient appropriations, effective June 30, 2017. Amend the GPR annual literacy improvement appropriation, which will be transferred to DCF, and associated statutory language to provide that grants may be made from the appropriation to any person or school board for support of a literacy or early childhood development program. Provide that grants could be made from the GPR appropriation to a school board upon consultation with the State Superintendent of Public Instruction.

10. ELIMINATE STATUTORY LIMITS ON CHILD WELFARE EXPENDITURES

Governor/Joint Finance: Eliminate the following statutory limits on how DCF may use funds received under Title IV-B, subpart 1, for child welfare services and how DOC may use juvenile delinquency-related federal funds in each fiscal year: (a) $273,700 for state administration costs and for child abuse and neglect and unborn child abuse independent investigations; (b) $3,554,300 for distribution to counties for purchase and provision of child welfare projects and services, for services to children and families, for services to the expectant mothers of unborn children, and for family-based child welfare services; (c) $1,100,000 for youth and family aids allocated to counties; and (d) $458,600 for runaway services.

11. PAY FOR PERFORMANCE CONTRACTS

Joint Finance: Require all executive branch agencies to examine current programs and submit to the Joint Committee on Finance on or before December 1, 2015, a plan that identifies existing government expenditures that could be decreased or programs that could be improved though the use of pay-for-performance contracts. Specify that a pay-for-performance contract is a contract between a government agency and a private organization for the delivery of services under which payment is contingent upon and delayed until achievement of specified outcomes as measured by an independent evaluator using agreed upon metrics. Further, specify that under a pay-for-performance contract the contracting organization may serve as an intermediary which: (a) obtains funding to perform the contract by raising capital from private investors (whether philanthropic, profit seeking, or otherwise); and (b) subcontracts with direct providers (which may or may not be nonprofits) to achieve the required performance outcomes.

Authorize DCF to issue a request for proposals (RFP) for a pay-for-performance contract which, after a term of five years, would provide an agreed upon payment on the condition that the

contracting organization can demonstrate savings realized by the state (and not by local or federal government bodies) as defined by the terms of the contract from reducing rates of recidivism by offenders residing in the City of Milwaukee who have left incarceration and reentered the community. Require that the contract provide for no payment unless a certain minimum level of success is demonstrated. Specify that the Legislative Audit Bureau must assist DCF and the RFP offerors to identify benchmarks to measure performance and must conduct an audit upon completion of the five-year contract term to determine whether the agreed-upon benchmarks have been achieved. Require DCF in evaluating proposals to give priority to those which incorporate reuniting parents with their children.

Specify that after selecting a proposal DCF must submit a plan to the Committee for approval under a 14-day passive review process before a final contract with the RFP offeror selected by DCF may be executed or otherwise implemented. Require the plan to include specific information on the RFP offeror selected, the methods under which the offeror will finance startup and ongoing costs, the levels of increased payment for greater degrees of success, the desired outcomes and benchmarks, the methods of monitoring and measuring performance, and any additional service providers which the offeror intends to engage for delivery of services.

12. VOLUNTEER HOST FAMILIES

Joint Finance: Require DCF to establish a plan to engage and utilize non-profit volunteer programs to provide temporary host families for children whose parent or legal guardian has legally and voluntarily agreed to participate in such a program as an alternative to foster care. Require DCF to submit a report on the plan to the Committee on or before November 1, 2015.

13. POST ADOPTION RESOURCE CENTERS

GPR	$225,000

Joint Finance: Increase funding to DCF by $225,000 GPR in 2016-17 to support grants to post adoption resource centers. Post adoption resource centers provide education, training, support activities, and services to adoptive families.

14. BRIGHTER FUTURES

Joint Finance: Authorize DCF to distribute funds from the amounts enumerated for the Brighter Future Grant Initiative to an organization to provide a program that accomplishes all of the following: (a) prevents and reduces the incidence and effects of adverse early childhood experiences for children up to eight years old through behavioral health and other services; (b) trains practitioners in serving youth up to age eight; (c) provides professional development, training, research and direct services to youth up to age eight; (d) provides child care services, including a special care nursery, and the Youngstar child care quality and improvement rating system rates the organization as a five-star child provider; and (e) provides Birth-to-3 Services, early education and child care, in-home treatment sessions, family services, and outpatient services for occupational therapy, physical therapy, and speech therapy. Also, specify that the benchmarks and reporting requirements for recipients under current law of Brighter Futures grants do not apply to the

organization selected by DCF.

Economic Support and Child Care

1. W-2 AND TANF RELATED REVENUES AND EXPENDITURES [LFB Paper 210]

Governor: The following table shows the W-2 and TANF related revenue estimates and expenditures recommended by the Governor. Items that would be modified by the budget bill are addressed in detail in the entries that follow according to the item number listed in the right-hand column of the table. "TANF" refers to the federal temporary assistance for needy families program.

Revenues Available for W-2 and TANF Related Programs

As shown in Table 1, the administration estimates total revenues for W-2 and TANF related programs at $712.5 million in 2015-16 and $662.8 million in 2016-17. State funding would include $179.4 million ($160.6 million GPR, $9.6 million PR, and $9.1 million SEG) in 2015-16 and $174.4 million ($160.4 million GPR, $4.9 million PR, and $9.1 million SEG) in 2016-17. The program revenue includes the state's share of AFDC overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, child care licensing fees, and income augmentation funds carried forward from 2014-15. The segregated revenue is from DOA's public benefits funding.

Ongoing federal funding is estimated at $458.6 million in 2015-16 and $409.4 million in 2016-17. Federal funds include monies from the TANF block grant, the child care development block grant, and recoveries of overpayments to W-2 recipients. The carryover of all funding sources from the 2014-15 ending TANF balance is estimated at $74.6 million.

The largest change in revenue comes from anticipated funding under the TANF contingency fund. The contingency fund provides additional matching grants to states during times of economic downturns if certain conditions are met. The state applied for contingency funds, and was determined to be eligible for funding, in federal fiscal years (FFY) 2009 and 2011 through 2014. The bill estimates that Wisconsin will receive $25.0 million in FFY 2015 and $25.0 million in FFY 2016 ($50.0 million in SFY 2015-16).

It should be noted that Congress has extended the TANF program until September 30, 2015, at the same funding levels. The budget bill assumes the federal TANF program would continue at the same funding levels through the 2015-17 biennial budget.

Expenditures for W-2 and TANF Related Programs

Under the Governor's recommendations, overall expenditures for W-2 and TANF related programs would be $633.5 million in 2015-16 and $653.3 million in 2016-17. These amounts

include all funds, and represent a decrease from the base budget of $8.2 million in 2015-16 and an increase of $11.6 million in 2016-17. The changes in funding represent reestimates, increased funding for some existing programs, and decreased funding for other existing programs, which are described in the entries below. Expenditures include: W-2 contracts and cash grants; the Transform Milwaukee and Transitional Jobs programs; child care subsidies; benefits for the kinship care program, the caretaker supplement, and emergency assistance; state administration and other support services; grants to the Boys and Girls Clubs, Wisconsin Community Services, and Fostering Futures; and expenditures for other programs.

Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2015-17 biennium would be $9.5 million which could be carried over into the 2017-19 biennium. However, ongoing expenditures would be estimated to exceed ongoing revenue by $69.5 million in 2016-17.

TABLE 1

W-2 and TANF Related Revenues and Expenditures Under the Governor's Budget Bill

			Change to Base		
	2015-16	2016-17	2015-16	2016-17	Item #
Revenues					
State General Purpose Revenue in DCF (GPR)	$160,623,800	$160,373,800	$250,000	$0	22
TANF Prior-year Carryover (all funds)	74,582,200	79,000,000	29,277,300	33,695,100	
TANF Block Grant (FED)	312,713,400	313,861,200	-1,147,700	100	22
Child Care Block Grant (FED)	91,463,900	91,188,900	4,269,900	3,994,900	
Overpayment Recoveries (FED)	4,286,600	4,287,600	0	1,000	
TANF Contingency Fund (FED)	50,000,000	0	50,000,000	0	
SSBG from DHS (FED)	100,000	100,000	0	0	
Child Support Collections (PR)	3,010,800	3,010,800	0	0	
Child Care Licensing Fees (PR)	1,700,400	1,715,900	-16,800	-1,300	22
AFDC Overpayment Recoveries (PR)	160,600	160,600	0	0	
Income Augmentation Carryforward (PR)	4,730,300	0	4,730,300	0	22
Public Benefits Fund (SEG)	9,139,700	9,139,700	0	0	
Total Revenues	$712,511,700	$662,838,500	$87,363,000	$37,689,800	
Expenditures					
W-2 Agency Contracts and Benefits					
Benefits	$89,796,000	$88,796,000	-$1,000,000	-$2,000,000	2, 3
Contracts	58,336,500	58,336,500	0	0	
Other TANF Employment Programs					
Transitional Jobs /Transform Milwaukee	6,000,000	7,000,000	1,000,000	2,000,000	9
Child Care					
Direct Child Care Subsidies	267,945,900	286,777,400	-6,788,100	12,043,400	10
Child Care State Administration and Licensing	34,244,600	33,248,300	2,474,700	1,478,400	11
Quality and Availability Programs	15,492,700	15,492,700	1,158,000	1,158,000	12
Other Benefits					
Kinship Care	21,222,700	21,435,000	448,300	660,600	13
Caretaker Supplement for Children of SSI Recipients	31,338,200	31,338,200	-2,349,800	-2,349,800	14
Emergency Assistance	8,500,000	8,400,000	-100,000	-200,000	15
Administrative Support					
State Administration	14,834,100	14,967,700	1,519,100	1,652,700	16
Local Fraud Aids	605,500	605,500	0	0	
Other Support Services					
Children First	1,140,000	1,140,000	0	0	
Grant Programs					
Boys and Girls Clubs	1,100,000	1,100,000	0	0	17
Wisconsin Community Services	400,000	400,000	0	0	
Fostering Futures- Connections Count	0	360,300	0	360,300	18
Expenditures in Other Programs					
Earned Income Tax Credit	62,500,000	62,500,000	0	0	23
Social Services Block Grant	15,018,700	14,653,500	-424,500	-789,700	19
Child Welfare Safety Services	3,647,200	5,392,700	-4,063,900	-2,318,400	20
Child Welfare Prevention Services	1,389,600	1,389,600	-100,000	-100,000	21
Total Expenditures	$633,511,700	$653,333,400	-$8,226,200	$11,595,500	
Ending Balance	$79,000,000	$9,505,100			

Joint Finance: Table 2 shows the W-2 and TANF related revenue estimates and expenditure changes made by the Joint Committee on Finance.

As shown in Table 2, total revenues for W-2 and TANF related programs are estimated at $725.0 million in 2015-16 and at $681.0 million in 2016-17. Compared to the Governor's proposal, these numbers represent an increase in revenues of $12.5 million in 2015-16 and $34,800 in 2016-17. (The carryover into 2016-17 is already accounted for in 2015-16.) These increases reflect reestimates of the TANF block grant, the child care development block grant, and the amount of the TANF balance carried over from 2014-15 into 2015-16.

Overall expenditures for W-2 and TANF related programs under the bill would be $627.9 million in 2015-16 and $649.7 million in 2016-17. Compared to the Governor's recommendations, these amounts represent a decrease of $5.7 million in 2015-16 and $3.7 million in 2016-17. The biggest changes are an increase in TANF funding for the earned income tax credit and decreases in funding for direct child care subsidies and W-2 benefits, as shown in Table 2 and described in the entries below.

As indicated in Table 2, there would be an estimated balance in TANF funding of $31.3 million on June 30, 2017, which could be carried over into the 2017-19 biennium. However, ongoing expenditures would be estimated to exceed ongoing revenue by $65.8 million in 2016-17.

TABLE 2

W-2 and TANF Related Revenues and Expenditures Under the Joint Committee on Finance

			Change to Governor		
	2015-16	2016-17	2015-16	2016-17	Item #
Revenues					
State General Purpose Revenue in DCF (GPR)	$160,373,800	$160,373,800	-$250,000	$0	22
TANF Prior-year Carryover (all funds)	122,617,900	97,126,900	48,035,700	18,126,900	
TANF Block Grant (FED)	312,713,400	313,896,000	0	34,800	22
Child Care Block Grant (FED)	91,123,300	91,188,900	-340,600	0	
Overpayment Recoveries (FED)	4,286,600	4,287,600	0	0	
TANF Contingency Fund (FED)	15,031,500	0	-34,968,500	0	
SSBG from DHS (FED)	100,000	100,000	0	0	
Child Support Collections (PR)	3,010,800	3,010,800	0	0	
Child Care Licensing Fees (PR)	1,700,400	1,715,900	0	0	22
AFDC Overpayment Recoveries (PR)	160,600	160,600	0	0	
Income Augmentation Carryforward (PR)	4,730,300	0	0	0	22
Public Benefits Fund (SEG)	9,139,700	9,139,700	0	0	
Total	$724,988,300	$681,000,200	$12,476,600	$18,161,700	
Expenditures					
W-2 Agency Contracts and Benefits					
Benefits	$83,000,000	$83,000,000	-$6,796,000	-$5,796,000	2, 3
Contracts	58,336,500	58,336,500	0	0	
Other TANF Employment Programs					
Transitional Jobs /Transform Milwaukee	6,000,000	7,000,000	0	0	9
Child Care					
Direct Child Care Subsidies	262,064,700	280,719,700	-5,881,200	-6,057,700	10
Child Care State Administration and Licensing	35,181,800	33,185,500	937,200	-62,800	11
Quality and Availability Programs	15,492,700	15,492,700	0	0	12
Other Benefits					
Kinship Care	21,222,700	21,435,000	0	0	13
Caretaker Supp for Children of SSI Recipients	31,338,200	31,338,200	0	0	14
Emergency Assistance	8,500,000	8,400,000	0	0	15
Administrative Support					
State Administration	15,080,200	15,295,800	246,100	328,100	16
Local Fraud Aids	605,500	605,500	0	0	
Other Support Services					
Children First	1,140,000	1,140,000	0	0	
Grant Programs					
Boys and Girls Clubs	1,175,000	1,175,000	75,000	75,000	17
Wisconsin Community Services	400,000	400,000	0	0	
Fostering Futures- Connections Count	0	360,300	0	0	18
GED Testing	127,000	115,000	127,000	115,000	24
Adult Literacy	41,600	41,600	41,600	41,600	25
Legal Services	500,000	500,000	500,000	500,000	26
Expenditures in Other Programs					
Earned Income Tax Credit	67,600,000	69,700,000	5,100,000	7,200,000	23
Social Services Block Grant	15,018,700	14,653,500	0	0	19
Child Welfare Safety Services	3,647,200	5,392,700	0	0	20
Child Welfare Prevention Services	1,389,600	1,389,600	0	0	21
Total Expenditures	$627,861,400	$649,676,600	-$5,650,300	-$3,656,800	
Ending Balance	$97,126,900	$31,323,600	$18,126,900	$21,818,500	

2. WISCONSIN WORKS BENEFITS [LFB Paper 210]

FED	- $12,592,000

Joint Finance: Decrease funding for W-2 benefits by $6,796,000 in 2015-16 and by $5,796,000 in 2016-17 to reflect more recent estimates of base-year caseloads and benefit payments, which are lower than previously estimated. Total TANF funding under the bill for W-2 benefits, including the changes to the lifetime benefit limit described below, would be $83,000,000 annually.

3. WISCONSIN WORKS LIFETIME BENEFITS [LFB Paper 211]

FED	- $3,000,000

Governor/Joint Finance: Reduce funding for Wisconsin Works benefits by $1,000,000 in 2015-16 and $2,000,000 in 2016-17 to reflect the expected savings from modifying current law to decrease the lifetime limit on participating in or receiving benefits under W-2 programs from 60 months to 48 months.

Under current law, the W-2 program provides work experience and benefits for low-income custodial parents who are at least 18 years old. Short-term interest-free job access loans may also be provided to meet immediate and discrete expenses that are related to obtaining or maintaining employment.

Generally, in order to be eligible for W-2 employment positions and job access loans, the total number of months in which the individual (or any adult member of the individual's family) has participated in or received benefits under certain W-2 programs may not exceed 60 months. Except for limited exceptions, all months in which individuals participate in the following programs accrue against the 60-month lifetime limit: (a) W-2 employment positions; (b) the job opportunities and basic skills (JOBS) program under prior law beginning on October 1, 1996; and (c) any program in Wisconsin or any other state in which benefits were funded by federal TANF dollars. Under current law, a W-2 agency may extend the participation period beyond 60 months if the agency determines that unusual circumstances exist.

The bill would reduce the lifetime limit for W-2 programs and job access loans from 60 months to 48 months. The bill would also modify state law regarding extensions of the participation period to conform with federal law. A W-2 agency would be empowered to extend an individual's participation beyond 48 months if it determines that the individual is experiencing hardship or that the individual's family includes an individual who has been battered or subjected to extreme cruelty.

These provisions would first apply to W-2 participants on the bill's effective date, except that DCF would have discretion to allow individuals currently participating in W-2 to remain in the program for an appropriate period of time beyond 48 months in order to allow for transition out of W-2.

4. WORK EXPERIENCE PROGRAM DRUG TESTING AND TREATMENT [LFB Paper 216]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$500,000	$500,000

Governor: Require substance abuse screening and testing as an eligibility requirement for certain work programs administered by DCF, as described below.

The bill would require individuals to complete a questionnaire that screens for the abuse of a controlled substance as a condition of eligibility for participation in certain work programs administered by DCF. Specifically, the drug abuse questionnaire would be required for the following: (a) persons who apply to participate in the Transform Milwaukee program or the Transitional Jobs program, or for W-2 services and benefits for noncustodial parents; and (b) persons who apply for, or are ordered by a court to register for, a work experience and job training program because they are not meeting their child support obligations. The last program is known as Children First.

Based on the answers to the questionnaire, if DCF (or the agency with which DCF has contracted to administer a work program) determines that there is a reasonable suspicion that an individual who is otherwise eligible for a work program is abusing a controlled substance, the individual would have to undergo a test for the use of a controlled substance in order to remain eligible. If the individual refuses to submit to a test, the individual would not be eligible until the individual complies with the requirement to undergo a test for the use of a controlled substance.

If the test results are negative, the eligibility requirements for testing, screening, and treatment would be fulfilled. If the test results are positive and the individual does not present satisfactory evidence of a valid prescription for the controlled substance, then the individual would have to participate in substance abuse treatment to remain eligible. The individual would satisfactorily complete the substance abuse screening, testing, and treatment requirements for the work program if the individual completes treatment and tests negative or positive with a valid prescription at the completion of treatment.

While undergoing treatment, the individual would have to submit to random testing for the use of a controlled substance, and the test results would have to be negative, or positive with evidence of a valid prescription, in order for the individual to remain eligible. If any test results are positive and the individual does not have a valid prescription, the individual could restart treatment one time and remain eligible so long as all subsequent test results are negative or positive with a valid prescription.

These provisions would first apply to individuals who apply to participate in a work program on the effective date of the bill.

The budget bill provisions would not apply to participants in W-2 community service jobs or transitional placements. Current law includes a drug testing requirement (along with sanctions and treatment programs) for W-2 participants who have been convicted of a drug-related felony

within the five preceding years. These provisions would not be modified by the bill.

Joint Finance: Create an annual appropriation and provide $250,000 in 2015-16 and 2016-17 to DCF for drug screening, testing, and treatment costs. Require DCF to pay for all costs of substance abuse treatment not otherwise covered by medical assistance, private insurance, or another type of coverage. Specify that if drug treatment costs exceed the monies available under the appropriation, then DCF must request the Committee to take action under s. 13.101 of the statutes, and that the requirement of an emergency does not apply to such a request.

Authorize DCF to promulgate emergency rules to implement drug screening, testing, and treatment without making a finding of emergency. Require DCF to submit a statement of scope of proposed emergency rules within 120 days of the bill's effective date. Specify that the drug screening testing, and treatment provisions first apply to applicants to work experience programs on the effective date of the rules promulgated by DCF.

5. W-2 SANCTIONS [LFB Paper 212]

Governor: Modify provisions regarding the imposition of sanctions under W-2, as described below.

Notice and Opportunity to Rectify. Under current law, before taking any action against a W-2 participant that would result in a 20% or more reduction in the participant's benefits or in termination of the participant's eligibility to participate in W-2, a W-2 agency must: (a) provide written notice of the proposed action and of the reasons for the proposed action to the W-2 participant; and (b) allow the W-2 participant reasonable time to rectify the deficiency, failure, or other behavior to avoid the proposed action. The bill would remove these requirements. The bill would also remove authority from DCF to promulgate rules to establish procedures for notice and rectification by the participant.

Refusal to Participate. Under current law, if a W-2 participant (or individual in a participant's W-2 group) refuses to participate in a W-2 employment position component, the participant is ineligible to participate in the entire W-2 program for three months. A participant is considered to have refused to participate if he or she: (a) expresses verbally or in writing to a W-2 agency that he or she refuses to participate; (b) fails to appear for an interview with a prospective employer without good cause; (c) if the participant is in a W-2 transitional placement, fails to appear for an assigned activity without good cause; (d) voluntarily leaves appropriate employment or training without good cause; (e) loses employment as a result of being discharged for cause; or (f) demonstrates through other behavior or action that he or she refuses to participate in a W-2 employment position.

The bill would modify the behaviors that constitute refusal to participate in order to more specifically define the criteria for which sanctions may be imposed and to more closely resemble the actual behaviors of non-participating individuals observed by W-2 agencies.

First, the bill would define "employer" and "employment," which were previously undefined, to include subsidized or unsubsidized employment and work experience activities.

Second, the bill would amend the definition of "work activity" to conform with the

definition under federal law and to include an activity assigned by W-2 agency. Federal law identifies 12 work activities.

Third, the bill would eliminate option (a) listed above. Note that verbal or written expression could still be considered a refusal to participate under option (f).

Fourth, the bill would modify options (b) and (c) listed above, such that it would be a refusal to participate to fail, without good cause, to appear for: (i) an interview with a prospective employer, including a work experience provider; (ii) an assigned work activity; or (iii) an activity assigned by a W-2 agency.

Fifth, the bill would modify option (d) above and make it a refusal to participate if a participant leaves, without good cause, appropriate employment or training or an appropriate assigned work experience activity or a work experience site.

Sixth, the bill would modify option (e) above and make it a refusal to participate if a participant is discharged from appropriate employment or training for cause or from a work experience site for cause.

Joint Finance: Modify the Governor's recommendation such that statutorily required notice and opportunity to rectify would not be required for actions predicated upon W-2 financial and non-financial eligibility criteria (such as a child becoming 18 years old or the participant moving out of the state). Actions predicated on sanctions which would terminate a participant's eligibility or reduce a participant's benefits by 20% or more (such as non-participation in an employment position or non-cooperation with child support requirements) would require notice and opportunity to rectify.

6. W-2 COMMUNITY STEERING COMMITTEES

Governor/Joint Finance: Modify provisions regarding W-2 community steering committees as outlined below.

Under current law, among other duties, each W-2 agency contract must require a W-2 agency to establish a community steering committee within 60 days after the date on which the contract is awarded. The bill would instead require the W-2 agency to establish one or more community steering committees within 60 days after the contract is signed (rather than awarded). W-2 agencies would be authorized to appoint as many committees as necessary to allow the required representation on each committee without exceeding the maximum number of committee members.

Currently, the W-2 agency must recommend the members of the committee to the chief executive officer (CEO) of each county served by the agency, and the county CEO must appoint the members of the committee. For multi-county agencies, the number of members that each CEO appoints to the committee must be in proportion to the population of that officer's county relative to the population of each other county served by the W-2 agency, except that the CEO of a county that is served by a non-county W-2 agency must appoint the director of the county department of human/social services, or his or her designee, and one other representative of the

county department. The committee must consist of at least 12 members, but not more than 15 members.

The bill would repeal all of these provisions. Instead, the bill would specify that the total number of committee members could not exceed 20. In addition, each county that the W-2 agency serves would have to be represented on a committee by a member who is a representative of a county department responsible for economic development, of a city department responsible for economic development of a city that is in that county, or of the business community in that county. The W-2 agency would have to appoint at least one representative of business interests as a committee member. As under current law, the members of the committee would have to appoint a chairperson who is a person who represents business interests.

Current law requires that the community steering committees perform certain duties. Among these are the duties to: (a) identify and encourage employers to provide permanent jobs for persons who are eligible for trial employment match program (TEMP) jobs or community service jobs (CSJs) under W-2; (b) create, and encourage others to create, subsidized jobs for persons who are eligible for TEMP jobs or CSJs; and (c) create, and encourage others to create, on-the-job training sites for persons who are eligible for TEMP jobs or CSJs. Under the bill, these activities would be undertaken for all persons eligible for the W-2 program, instead of just those who are eligible for TEMP jobs or CSJs. In addition, under item (c), community steering committees would be required to create work experience opportunities, including supported work experience, instead of on-the-job training sites.

Present law also requires community steering committees to foster and guide the entrepreneurial efforts of participants who are eligible for TEMP jobs or CSJs, and to provide mentors, both from their membership and from recruitment of members of the community, to provide job-related guidance, including assistance in resolving job-related issues and the provision of job leads or references, to eligible persons. Under the bill, these activities would be permissive rather than required. In addition, the references to TEMP jobs and CSJs would be replaced with a more general reference to W-2 eligibility.

Currently, community steering committees must also coordinate with the council on workforce investment established under federal law to ensure compatibility of purpose and no duplication of effort. The bill would replace the reference to councils on workforce investment with a reference to workforce development boards.

Current law also requires community steering committees to work with participants, employers, child care providers and the community to identify child care needs, improve access to child care and expand availability of child care, and to identify motivational training programs, including programs that enhance parenting skills. The bill would repeal these requirements.

Finally, as under current law, W-2 agencies could require new CSJ and W-2 transitional placement participants to participate in an assessment and motivational training program; however, the motivational training programs would no longer have to be identified by the community steering committee.

7. W-2 WAGE SUBSIDIES [LFB Paper 213]

Governor/Joint Finance: Modify the subsidy amounts available for TEMP jobs and enable DCF to negotiate the subsidies paid to employers of participants in the Transform Milwaukee jobs program and Transitional Jobs program.

Under current law, the employer of an individual placed in a Trial Employment Match Program (TEMP) job must pay the individual at least the applicable minimum wage. The W-2 agency pays a wage subsidy to the employer in an amount negotiated between the W-2 agency and the employer. The subsidy cannot be less than the applicable minimum wage. As for the Transform Milwaukee Jobs Program or Transitional Jobs Program, current law does not allow for negotiation of the wage subsidy. Instead, DCF pays the employer an amount equal to the wages paid to the individual for hours actually worked, not to exceed 40 hours per week at the applicable federal or state minimum wage (DCF may also pay for other costs associated with social security, Medicare, and unemployment taxes). The employer may pay the individual more than the amount of the wage subsidy received from DCF, but the employer cannot pay the individual less than the applicable minimum wage.

The bill would change the TEMP wage subsidy amount paid to employers from being not less than minimum wage to being no more than minimum wage. The employer would be responsible to pay the TEMP participant at least the minimum wage and for all wage amounts exceeding the subsidy. It must be noted that the implementation of TEMP has been delayed and that there currently are no W-2 participants who have been placed into a TEMP job.

The bill would similarly change the subsidies paid to employers of participants in the Transform Milwaukee Jobs Program or Transitional Jobs Program. The subsidy amount would be negotiated between DCF and the employer and could not exceed the minimum wage. The subsidy would be paid for each hour actually worked by the participant up to 40 hours per week. The employer would have to pay the participant at least minimum wage.

8. LEARNFARE CASE MANAGEMENT

Governor/Joint Finance: Extend the requirement for case management services under the Learnfare program. Under current law, Learnfare requires dependent children between the ages of six through 17, unless otherwise exempt, to be enrolled in school if they are in a W-2 group that includes a participant in a TEMP placement, community service job, or transitional placement. In addition, minor parents, habitual truants (absent from school without an acceptable excuse for part or all of five or more school days during a semester), dropouts, and returning drop-outs must participate in case management services.

The bill would extend the requirement for case management services to instances where the child's W-2 group includes a participant in a TEMP job, community service job, or transitional job who has been unable to participate in activities due to the child's school-related problems.

9. TRANSITIONAL JOBS EXPANSION

FED	$3,000,000

Governor/Joint Finance: Provide additional funding of $1,000,000 in 2015-16 and $2,000,000 in 2016-17 for expansion of the transitional jobs program. Total TANF funding under the bill would be $6,000,000 in 2015-16 and $7,000,000 in 2016-17.

Under current law, in conducting that Transitional Jobs program DCF must give priority to areas with relatively high rates of unemployment and childhood poverty. The bill would expand the Transitional Jobs program to other areas with special needs that DCF determines should be given priority.

10. WISCONSIN SHARES CHILD CARE SUBSIDY PROGRAM [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$5,255,300	- $11,938,900	- $6,683,600

Governor: Modify expenditure authority in the amount of -$6,788,100 in 2015-16 and $12,043,400 in 2016-17 for direct child care services. The following table shows the fiscal-year amounts in the bill.

Wisconsin Shares under Governor's Recommendations

	2015-16	2016-17
Child Care Subsidies	$253,145,400	$258,826,900
Local Administration	11,638,100	11,638,100
On-site Care	2,550,000	2,600,000
Migrant Care	612,400	612,400
EBT Parent Pay	0	13,100,000
Total	$267,945,900	$286,777,400
Adjusted Base (2014-15)	$274,734,000	$274,734,000
Difference from Adjusted Base	-$6,788,100	$12,043,400

The reduction from the adjusted base in 2015-16 is primarily due to a projected utilization of the Wisconsin Shares program significantly below the previously estimated base amount. The increase in 2016-17 is primarily due to costs associated with the implementation of the electronic benefit transfer (EBT) parent pay initiative, including: (a) the costs of switching from retrospective attendance-based subsidy payments to the prospective determination of need for child care and the pre-attendance award of subsidies on electronic benefit transfer cards; and (b) the one-time cost of accelerating subsidy payments, which causes the overlap of one month of retrospective payment with one month of prospective payment (resulting in reimbursement for 54 weeks of child care over the fiscal year).

Joint Finance: The following table includes the estimated costs to fully fund the direct child case subsidy program under the Joint Finance budget. The reestimate is based upon more recent caseload and issuance data for base level spending in the direct child care subsidy program, which are lower than previously projected. With these adjustments, the estimated cost of the child care subsidy program is lower than the estimates used in the Governor's bill by $5,881,200 in 2015-16 and $6,057,700 in 2016-17.

Wisconsin Shares under the Joint Committee on Finance

			Change with Governor	
	2015-16	2016-17	2015-16	2016-17
Child Care Subsidies	$247,264,200	$252,769,200	-$5,881,200	-$6,057,700
Local Administration	11,638,100	11,638,100	0	0
On-site Care	2,550,000	2,600,000	0	0
Migrant Care	612,400	612,400	0	0
EBT Parent Pay	0	13,100,000	0	0
Total	$262,064,700	$280,719,700	-$5,881,200	-$6,057,700
Adjusted Base (2014-15)	$274,734,000	$274,734,000		
Difference from Adjusted Base	-$12,669,300	$5,985,700		

11. CHILD CARE STATE ADMINISTRATION [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$3,953,100	$874,400	$4,827,500

Governor: Increase expenditure authority in 2015-16 by $2,474,700 and in 2016-17 by $1,478,400 for state administration of child care licensing activities, Wisconsin Shares, and child care quality improvement programs.

The increase in funding primarily reflects implementation of the EBT parent pay initiative in Wisconsin Shares, including: (a) $2,279,700 in 2015-16 and $1,397,500 in 2016-17 for information technology upgrades; and (b) $600,000 in 2015-16 and $210,600 for vendor costs. 2013 Act 20 provided for the implementation of an EBT system by which DCF would be authorized to issue benefits directly to participating individuals via electronic benefit cards. Wisconsin Shares recipients would use the cards to pay child care providers participating in YoungStar (or out-of-state providers). However, before DCF may implement the EBT system for Wisconsin shares, it must first obtain all necessary approvals from the appropriate federal agencies and submit a plan to the Joint Committee on Finance under a 14-day passive review process. DCF has submitted an EBT implementation plan to the Committee, which is currently under consideration.

The funding also reflects: (a) a decrease in administrative costs associated with health

insurance, retirement, and reserves ($402,500 in 2015-16 and $144,400 in 2016-17); (b) a decrease in administrative costs of $207,300 annually; (c) standard budget adjustments and realignments ($214,800 in 2015-16 and $232,000 in 2016-17); and (d) anticipated administrative savings from the statutory modifications for child care provider background disclosure described below ($10,000 annually).

Background Information Disclosure. Current law requires licensed and certified child care providers (and their household members, contractors, and employees) to file background information disclosure forms when applying for the issuance, renewal, or continuation of a child care license, certification, or contract. The bill would exempt child care providers from completing background information disclosures when applying to renew or continue a license, certification, or contract. The disclosures would still be required for the initial license, certification, or contract.

Current law generally provides that entities which provide care for children must require all of their caregivers and non-client residents to complete background information disclosures every four years. However, an exception is provided for regulated child care providers, who are instead required to complete disclosure forms every twelve months (regardless of whether or not there have been any changes in background information). The bill would modify current law to eliminate the disclosure requirement for child care providers after submitting initial disclosure forms. Instead, background disclosures would only be required for new caregivers and non-client residents.

As noted, the administrative savings associated with the above changes are estimated as $10,000 annually.

Administration of Wisconsin Shares: Eligibility. Under current law, in all areas of the state (except for Milwaukee which is administered by DCF through the Milwaukee Enrollment Services and Milwaukee Early Care Administration) DCF must contract with a county department or agency to make initial determinations of eligibility for child care subsidies under Wisconsin Shares for individuals who are in a particular geographic region or who are members of a particular Indian tribal unit. Further, current law requires that the same county department or agency must administer Wisconsin Shares for that geographic region or Indian tribal unit.

The bill would provide DCF with the option to make child care subsidy eligibility determinations, to contract with a county department or agency to make eligibility determinations, or to contract with a county department or agency to share in making eligibility determinations. In the event that DCF contracts with a county department or agency for the eligibility determination function, the bill would require DCF to allocate funds for this function under the contract.

These changes would first apply to contracts made between DCF and county departments or agencies beginning on October 1, 2015.

Administration of Wisconsin Shares: Funding Allocation. Under current law, DCF must, to the extent practicable, allocate funding to county departments and agencies for the administration of Wisconsin Shares in the same proportion of the geographic region's (or Indian

tribal unit's) proportionate share of all statewide child care subsidy authorizations and eligibility redeterminations in the 12-month period prior to the start of the contract period.

The bill would allow DCF to elect to allocate funds for a county department's or agency's administration of Wisconsin Shares in the same proportion as either the geographic region's (or Indian tribal unit's) proportionate share of: (a) all funding allocated for eligibility determination functions; or (b) all children for whom a child care subsidy was issued in the most recent twelve-month period for which applicable statistics are available prior to the start of the contract period. When allocating funds, the bill would allow DCF to take into consideration trends in applications, a county department's or agency's past eligibility determination expenditures, the respective portions of the eligibility determination function to be performed by DCF and the county department or agency, and any other factor DCF determines.

These changes would first apply to contracts made between DCF and county departments or agencies beginning on October 1, 2015.

Joint Finance: Increase expenditure authority in 2015-16 by $1,000,000 to reflect child care administration spending previously estimated to occur in 2014-15 for implementation of the Wisconsin Shares EBT system which is now estimated to carry over into and to be spent during 2015-16. Also decrease expenditure authority by $62,800 annually to reflect the position transferred to the Department of Tourism, as discussed above in "Departmentwide." Total TANF-related funding under the Joint Finance budget would be $35,181,800 in 2015-16 and $33,185,500 in 2016-17.

12. CHILD CARE QUALITY RATING AND IMPROVEMENT SYSTEM

FED	$2,316,000

Governor/Joint Finance: Increase funding by $1,158,000 annually for child care quality programs to fully fund the contract costs of the child care quality rating and improvement system (YoungStar). DCF contracts with the Consortium to rate child care providers under YoungStar, to provide technical assistance and grants for improvement, and to administer YoungStar at the local level. Members of the Consortium include the Celebrate Children Foundation, Supporting Families Together Association, and Wisconsin Early Childhood Association.

The requested level of funding was previously approved by the Joint Committee on Finance in May, 2014, to cover additional expenditures from increased participation by child care providers in YoungStar technical assistance and grant programs. Costs for technical assistance and micro-grants increase as providers improve their YoungStar rating.

Funding would be maintained at base levels for other quality and availability programs, such as resource and referral agencies, the teacher education and compensation helps (TEACH) program, and the rewarding education with wages and respect for dedication (REWARD) program. Total TANF funding under the bill for child care quality and availability programs would be $15,492,700 in each year.

13. KINSHIP CARE

FED	$1,108,900

Governor/Joint Finance: Provide an increase of $448,300 in 2015-16 and $660,600 in 2016-17 for kinship care based upon reestimate of caseloads. The monthly rate is $232. Total TANF funding under the bill would be $21,222,700 in 2015-16 and $21,435,000 in 2016-17.

14. CARETAKER SUPPLEMENT

FED	- $4,699,600

Governor/Joint Finance: Reduce funding for the caretaker supplement by $2,349,800 annually to reflect a reestimate of program costs. In addition to state and federal SSI benefits, SSI recipients with dependent children receive a caretaker supplement of $250 per month for the first child and $150 per month for each additional child. TANF funding under the bill would be $31,338,200 annually.

15. EMERGENCY ASSISTANCE

FED	- $300,000

Governor/Joint Finance: Reduce funding for emergency assistance by $100,000 in 2015-16 and $200,000 in 2016-17 based on reestimates of need. Total TANF funding for the program would be $8,500,000 in 2015-16 and $8,400,000 in 2016-17.

The emergency assistance program provides assistance to needy persons with children in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. Benefits are in the form of cash, voucher, or vendor payment. W-2 agencies administer the emergency assistance program at the local level under contract with DCF.

The bill would modify current law to require DCF to recover overpayments of emergency assistance. In the case of an error in payment, the bill would require DCF to recover the overpayment from the W-2 agency. DCF would be able to recover by offsetting the agency's contract. The bill would require county departments and W-2 agencies to notify DCF if they determine that DCF may recover an overpayment.

In the case of an overpayment resulting from a misrepresentation by the participant with respect to his or her eligibility, recovery would be made from the participant by any legal means, including state income tax intercept or levy against property. DCF would be required to provide notice of the overpayment and an opportunity for administrative review.

For the purposes of intercepting state income tax refunds, the bill would require DCF to annually certify to the Department of Revenue (DOR) all overpayment amounts which DCF determines it may recover. However, DCF would not be able to certify any overpayments to DOR unless the notice requirements have been met as to such amounts, and DCF's determination has not been appealed (or is no longer under appeal).

16. STATE ADMINISTRATION OF WISCONSIN WORKS AND OTHER RELATED TANF PROGRAMS [LFB Paper 214]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$3,171,800	1.00	$574,200	4.00	$3,746,000	5.00

Governor: Provide $1,519,100 in 2015-16 and $1,652,700 in 2016-17 for state administration of TANF and TANF-related programs, including W-2, Transform Milwaukee Jobs, and Kinship Care. These amounts include: (a) $1,835,000 in 2015-16 and $1,896,100 in 2016-17 to upgrade the client assistance for re-employment and economic support (CARES) information technology system; (b) a reduction of $269,600 in 2015-16 and $266,700 in 2016-17 for standard budget adjustments and funding realignments; (c) $72,800 in 2015-16 and $97,100 in 2016-17 to support 1.0 FTE position for Fostering Futures; and (d) a reduction of $119,100 in 2015-16 and $73,800 in 2016-17 for costs associated with health insurance, retirement, and reserves.

Joint Finance: Provide 4.0 positions and $246,100 in 2015-16 and $328,100 in 2016-17 to assist in implementing the income eligibility and verification system (IEVS) corrective compliance plan. IEVS is an automated computer system mandated by federal law that is used to match information among government databases. The compliance plan was entered into by DCF after the state failed to meet federal requirements for income verification of applicants of TANF-related programs. The additional positions would assist DCF to resolve discrepancies identified in unemployment compensation and state wage information submitted by applicants. Under the Joint Finance budget, state administration of TANF programs (other than Wisconsin Shares) would total $15,080,200 in 2015-16 and $15,295,800 in 2016-17.

17. GRANTS TO BOYS AND GIRLS CLUBS OF AMERICA

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$0	$150,000	$150,000

Governor: Maintain the same level of TANF funding ($1,100,000 annually) for grants to the Boys and Girls Clubs of America to support programs that improve social, academic, and employment skills of TANF-eligible youths. The bill would remove statutory references to one-time 2013-14 grants of: (a) $25,000 for the greater Wisconsin Rapids Area Boys and Girls Club to fund the Cranberry Science, Technology, Engineering, and Mathematics (STEM) program; and (b) $125,000 for the Green Bay Boys and Girls clubs for the BE GREAT: Graduate program.

Joint Finance: Provide an additional $75,000 annually for grants to the Wisconsin Chapter of the Boys and Girls Club of America. Require DCF to award grants of up to $75,000 to the Green Bay Boys and Girls Clubs for the BE GREAT: Graduate program on a one-to-one matching basis in

each year.

18. FOSTERING FUTURES: CONNECTIONS COUNT

FED	$360,300

Governor/Joint Finance: Provide $360,300 in 2016-17 to fund the Fostering Futures: Connections Count grant program, which supports neighbors and community leaders to connect vulnerable families with young children to formal and informal community support programs. Additional funding is also provided for 1.0 FED administrative staff position [See "State Administration of Wisconsin Works and Other Related TANF Programs," above.]

19. TRANSFER TO SOCIAL SERVICES BLOCK GRANT

FED	- $1,214,200

Governor/Joint Finance: Reduce the amount of funding for the transfer from TANF to the SSBG of $424,500 in 2015-16 and $789,700 in 2016-17. Total TANF transfers to DHS for the SSBG would be $15,018,700 in 2015-16 and $14,653,500 in 2016-17.

20. CHILD WELFARE SAFETY SERVICES

FED	- $6,382,300

Governor/Joint Finance: Reduce funding for child welfare safety services by $4,063,900 in 2015-16 and $2,318,400 in 2016-17 composed of: (a) an annual reduction of $2,386,900 from elimination of two contracts in BMCW; and (b) a reestimate of payment rates for Milwaukee home safety services of -$1,677,000 in 2015-16 and $68,500 in 2016-17. Total TANF funding under the bill would be $3,647,200 in 2015-16 and $5,392,700 in 2016-17.

21. CHILD WELFARE PREVENTION SERVICES

FED	- $200,000

Governor/Joint Finance: Reduce funding by $100,000 annually for child abuse and neglect prevention services in Milwaukee County. Such funding was previously made available for supervised parental visitation programs but went unused. Total TANF funding under the bill would be $1,389,600 annually.

22. TANF REVENUE ADJUSTMENTS [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- $3,748,000	$250,000	- $3,498,000
PR	11,937,500	0	11,937,500
Total	$8,189,500	$250,000	$8,439,500

Governor: Increase funding by $4,199,400 (-$4,539,000 FED and $8,738,400 PR) in 2015-16 and $3,990,100 ($791,000 FED and $3,199,100 PR) in 2016-17 to reflect: (a) a reassignment of $250,000 GPR from the child support enforcement program to fund W-2 and

other TANF-related programs, which displaces an identical amount of federal funding (-$250,000 FED in 2015-16); (b) a reestimate of child care licensing fees (-$16,800 PR in 2015-16 and -$1,300 PR in 2016-17), resulting in an increase in federal funding to cover the lost revenue ($16,800 FED in 2015-16 and $1,300 FED in 2016-17); (c) savings from the reduction in funding transferred from the TANF block grant to DHS for SSBG aids ($424,500 FED in 2015-16 and $789,700 FED in 2016-17); (d) income augmentation funds carried over from 2014-15 which replace an equal amount of federal funding (-$4,730,300 FED and $4,730,300 PR in 2015-16); and (e) intra-agency transfers between accounts, which do not reflect increases in funding ($4,024,900 PR in 2015-16 and $3,200,400 PR in 2016-17).

The bill would limit the use of income augmentation funds for TANF-related programs to $4,730,300 and limit the expenditure of income augmentation funds to obligations incurred in the 2016 federal fiscal year.

Joint Finance: Reassign $250,000 GPR back to the child support enforcement program as discussed in "Child Support -- Child Support Revenue Reestimates," resulting in increased TANF expenditures of $250,000 FED.

23. EARNED INCOME TAX CREDIT [LFB Paper 215]

FED	$12,300,000

Joint Finance: Increase TANF funding to pay the refundable portion of the state earned income tax credit (EITC) by $5,100,000 in 2015-16 and by $7,200,000 in 2016-17. The increase in TANF funding for the EITC corresponds with a one-to-one decrease in GPR funding as discussed in "General Fund Taxes -- Income and Franchise Taxes." Total TANF funding for the EITC would be $67,600,000 in 2015-16 and $69,700,000 in 2016-17.

24. GENERAL EDUCATION DEVELOPMENT TEST ASSISTANCE

FED	$242,000

Joint Finance: Provide $127,000 in 2015-16 and $115,000 in 2016-17 to DCF to support general education development testing and preparation to individuals who are eligible to receive TANF.

25. ADULT LITERACY GRANTS

FED	$83,200

Joint Finance: Provide $41,600 annually to DCF to support adult literacy grants to provide services to individuals with low literacy or limited English proficiency skills who are eligible to receive TANF.

26. LEGAL SERVICES FOR LOW INCOME FAMILIES

FED	$1,000,000

Joint Finance: Provide $500,000 annually to DCF for a grant to the Wisconsin Trust Account Foundation, Inc. (WTAF), for distribution by WTAF of annual awards of up to $75,000 to programs that provide civil legal services to low income families which address civil legal needs

related to domestic abuse, sexual abuse, and individual-at-risk restraining orders and injunctions. Specify that the grant funding may only be used to provide legal services in civil matters for which federal TANF block grant moneys may be used to individuals who are eligible to receive TANF and whose gross incomes are at or below 200% of the federal poverty level. Also, require that grant funding may not be used to provide legal services for litigation against the state. Specify that gross income has the same definition as used for determining eligibility for Wisconsin Works employment positions.

Require DCF to make a grant of $500,000 to WTAF in 2015-16 and 2016-17 if: (a) WTAF submits a plan to DCF which details the proposed uses of the grant (which must comply with the requirements described in the paragraph above) and the DCF Secretary (or his or her designee) approves the WTAF plan; (b) WTAF enters into an agreement with DCF which specifies the conditions for the use of the grant proceeds, including the requirements described in the paragraph above and training, reporting, and auditing; and (c) WTAF agrees in writing to comply with the reporting requirements discussed below.

Require that DCF may not provide a grant in 2016-17 unless: (a) WTAF submits a report to DCF within three months of spending the full amount of the 2015-16 grant which details how the funds were used; and (b) based upon the report, DCF determines that the grant proceeds were used in accordance with the approved plan. Require WTAF, if DCF awards the 2016-17 grant, to submit a report to DCF within six months of spending the full amount of the 2016-17 grant which details how the funds were used. Require that DCF may not provide grant funds after June 30, 2017.

Child Support

1. CHILD SUPPORT REVENUE REESTIMATE [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- $485,300	$485,300	$0
PR	6,833,000	0	6,833,000
SEG	- 135,000	0	- 135,000
Total	- $6,212,700	$485,000	$6,698,000

Governor: Increase expenditure authority for state administration of child support activities based on reestimates of revenues of $2,953,700 (-$485,300 FED, $3,509,000 PR, and -$70,000 SEG) in 2015-16 and $3,259,000 ($3,324,000 PR and -$65,000 SEG) in 2016-17.

The increase in program revenue reflects a carryover of funding used to upgrade the child support information system. The decrease in federal revenues results from the transfer of $250,000 GPR from child support appropriations to TANF-related programs [See "Economic Support and Support Programs -- TANF Revenue Adjustments"]. The decrease in state spending causes a decrease in federal matching funds that otherwise would have been received for child

support expenditures. The decrease in segregated revenue reflects lower estimates of interest earnings on the child support collections trust fund.

Joint Finance: Increase funding for child support activities by $485,300 FED in 2015-16 to reflect the reversal of the $250,000 GPR transfer described above, thereby avoiding the decrease of $485,300 in 2015-16 of federal matching funds received under Title IV-D of the Social Security Act.

2. FILING FEE EXEMPTION FOR VOLUNTARY PATERNITY ACKNOWLEDGMENT

Governor/Joint Finance: Eliminate the $194.50 filing fee to commence certain actions affecting the family for a child for whom paternity has been established by way of voluntary acknowledgment of paternity.

Current law requires a filing fee to commence certain actions affecting the family, including an action to establish paternity and to determine child support and legal custody and physical placement of a child. Such fees do not apply to certain actions or certain persons who commence the action. For example, there is no fee for an action to determine paternity brought by the state or its delegate or commenced on behalf of the child by a guardian ad litem, and no fee to determine child support and legal custody and physical placement of the child in the paternity action. However, under current law the filing fee is applicable to determine child support and legal custody and physical placement if paternity has been established by way of voluntary acknowledgement of paternity. DCF indicates that the filing fee, although applicable in cases of voluntary acknowledgment of paternity, is not currently being collected.

The bill would add to the actions exempt from the filing fee an action brought by the state (or its delegate) or a guardian ad litem to determine child support and legal custody and physical placement for a child for whom paternity has been established by way of voluntary acknowledgment of paternity. The exemption would apply to an estimated 6,000 cases per year.

3. REQUIRING FINANCIAL INSTITUTIONS TO PAY LEVIES SUBMITTED BY OTHER STATES

Governor/Joint Finance: Require financial institutions to pay child support levies submitted by other states, as described below.

Under current law, if a person who owes child support under a court order (the obligor) is delinquent in the payment of support, the delinquent amount is entered on the statewide support lien docket and becomes a lien in favor of DCF. DCF may enforce the lien by sending a notice of levy to the obligor's financial institution with instructions to prohibit the closing of or withdrawals from the obligor's account. As for a child support lien in favor of another state, DCF may enforce the lien by sending to the financial institution a request from the other state, along with a certification that due process requirements have been met in that state.

Under the bill, other states would be able send requests to enforce child support liens (with

a due process certification) directly to the obligor's financial institution. The financial institution would be required to honor such requests and send the amount specified up to the amount contained in the obligor's account (minus any financial institution fee as well as levy fees and costs).

4. ASSIGNMENT OF BENEFITS FOR CHILD SUPPORT

Governor/Joint Finance: Allow state income continuation insurance benefits and, if the person's occupation is law enforcement or fire-fighting, duty disability benefits to be assigned to satisfy the person's support obligation, including arrearages.

For additional information see "Employee Trust Fund -- Assigning Public Employee Benefits for Child or Family Support."

5. TAX INTERCEPT OF DELINQUENT RECEIPT AND DISBURSEMENT FEES IN NON-IV-D CASES

Governor/Joint Finance: Modify current law to allow to require DCF to report delinquent payments of centralized receipt and disbursement (CR&D) fees to DOR in cases in which the child support payee does not receive services from county child support agencies. Under current law, DCF must certify certain delinquent payments to DOR, for the purposes of collection through interception of state income tax refunds. These certifications by DCF must be made for cases in in which the state is a real party in interest or in which the payee is receiving services under DCF's program for child and spousal support and establishment of paternity and medical support liability. The bill would provide that DCF must, at least annually, certify delinquent payments of CR&D fees that are owed in cases not involving persons receiving services from county child support agencies.

6. TERMINATION OF CHILD SUPPORT AND SPOUSAL MAINTENANCE SERVICES

Joint Finance: Authorize DCF to terminate child support and spousal maintenance services to an individual if there is no longer a current child support or maintenance order and the arrearage is either less than $500 or unenforceable. Change statutory language to provide that support or maintenance arrearages may be considered unenforceable if: (a) no support or maintenance payments have been collected for at least three years; and (b) all administrative and legal remedies for collection of arrearages have been attempted or are determined to be ineffective because the payer is unable to pay, the payer has no known income or assets, and there is no reasonable prospect that the payer will be able to pay in the foreseeable future.

Provide that DCF must notify the recipient of such services, or the initiating state in the case of an interstate case, of DCF's intent to terminate services in writing 60 calendar days prior to the termination of enforcement services. Require that services may not be terminated if the recipient of services, or the initiating state, supplies information in response to the notice which could lead to the enforcement of a support or maintenance order.

Provide that the former recipient of services may request at a later date that the services continue if there is a change in circumstances which could lead to the enforcement of an order by completing a new application for services and paying any applicable application fee.

CIRCUIT COURTS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$191,207,000	$194,940,600	$194,940,600	$0	0.0%	$3,733,600	2.0%
PR	465,400	465,400	465,400	0	0.0	0	0.0
TOTAL	$191,672,400	$195,406,000	$195,406,000	$0	0.0%	$3,733,600	1.9%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	527.00	527.00	527.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$3,733,600

Governor/Joint Finance: Provide $1,866,800 annually associated with full funding of salaries and fringe benefits.

2. DELETE CIRCUIT COURT SUPPORT PAYMENTS, GUARDIAN AD LITEM COSTS, AND COURT INTERPRETER FEES; CREATE CIRCUIT COURT COSTS APPROPRIATION [LFB Paper 225]

Governor: Delete the GPR appropriations and all statutory language associated with the circuit court support payments, guardian ad litem costs, and the court interpreter fees. Instead, create a new circuit court costs biennial appropriation from which to make payments to counties for circuit court costs funded at $48,002,800 GPR annually with 278.0 GPR positions. The appropriation would be identified as a local assistance appropriation. In addition, transfer funding ($23,326,000 GPR) and position authority (278.0 GPR positions) for circuit court reporters from the sum sufficient, general program operations appropriation to the new circuit court costs appropriation. It should be noted that the transferred funding associated with the

court reporter positions does not include the full funding increases and related costs provided under standard budget adjustments associated with those positions.

The following table identifies the funding that would make up the new "circuit court costs" appropriation.

	Base Funding
Court Reporters	$23,326,000
Circuit Court Support Payments	18,552,200
Guardian Ad Litem Costs	4,691,100
Court Interpreter Fees	1,433,500
Total	$48,002,800

Delete the current law definition of "circuit court costs," which include: (a) juror fees; (b) certain witness and expert witness fees; (c) salary and fringe benefits for judicial assistants for circuit court judges; and (d) any other circuit court costs, except costs related to courtroom security, including security personnel, and costs related to rent, utilities, maintenance, rehabilitation and construction of circuit court facilities. Instead, authorize the Director of State Courts to define "circuit court costs" for the purpose of making payments from the new appropriations.

Delete a nonstatutory provision from the 2009-11 biennial budget allowing the Director of State Courts to create a two-year pilot program for centralized interpreter services. The bill would delete obsolete statutory language referring to a one-time payment to Milwaukee County for courtroom construction to handle violent crime cases in the 1991-93 biennium.

Current law and funding for the repealed appropriations is identified below.

Circuit Court Support Payments. Under current law, the Director of State Courts makes payments to counties of $18,552,200 GPR annually as follows: (a) each county receives a base payment of $42,275 per judge (or a proportional amount of $42,275 based on caseload if two counties share a branch.); (b) each county with one or fewer circuit court branches receives an additional $10,000; and (c) counties with more than one circuit court branch receive an additional payments equal to the county's proportion of the state population times the amount remaining after funding for base payments and payments to counties with one or fewer branches have been allocated.

Guardian Ad Litem Costs. Under current law, the Director of State Courts provides funding to counties to offset the costs of guardian ad litem services. A guardian ad litem (GAL) is an attorney appointed by the court for persons (usually minor children) in certain proceedings, who is an advocate for the best interests of the person. Payments are distributed based on each county's proportion of: (a) court branches; (b) revenue generated by the court support services fee; (c) and cases that would likely involve GAL services as determined by the Director of State Courts. No county may receive a GAL payment in an amount exceeding the total cost of GAL compensation that the county incurred under family, child and juvenile proceedings in the previous calendar year. Base funding for GAL payments is $4,691,100 GPR annually.

Court Interpreter Fees. The state reimburses counties for the circuit court costs associated with interpreters for persons with limited English proficiency. To receive reimbursement, counties must submit forms to the Director of State Courts accounting for interpreter expenses for the preceding three-month period. Reimbursements for interpreter expenses are: (a) $40 for the first hour and $20 for each additional 0.5 hour for qualified interpreters certified under the requirements and procedures approved by the Supreme Court; (b) $30 for the first hour and $15 for each additional 0.5 hour for qualified interpreters; and (c) for mileage, 51 cents per mile. Base GPR funding for court interpreters is $1,433,500 annually.

Joint Finance: Approve the Governor's recommendation to consolidate the appropriations for circuit court support payments, guardian ad litem costs, and court interpreter fees under a new circuit court costs appropriation, but delay the consolidation until 2016-17 in order to provide the Director of State Courts time to determine how to implement the changes.

Delete the transfer of court reporter positions and associated funding to the new appropriation, retaining the funding and positions under the Courts' general program operations appropriation.

3. DELETE FORFEITURE FEE EXEMPTIONS [LFB Paper 226]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	$697,600	- $697,600	$0
GPR-REV	1,743,800	- 1,743,800	0

Governor: Delete the current exemptions for paying the $25 fee in forfeiture actions.

Under current law, a $25 forfeiture fee is assessed when judgment is entered against the defendant except for the following: (a) prohibitions against smoking, responsibility of persons in charge violations; (b) motor vehicle liability insurance violation; (c) special identification cards for physically disabled violation; or (d) a safety belt use violation. Revenue from the fee is distributed as follows: (a) $12.50 to the general fund; (b) $5 to the Circuit Court Automation Programs; and (c) $7.50 to the counties.

Joint Finance: Delete provision.

4. COURT INTERPRETERS FUNDING FROM PENALTY ASSESSMENT INSTEAD OF JUSTICE INFORMATION SURCHARGE [LFB Paper 418]

Governor/Joint Finance: Modify current law so that revenues from the justice information surcharge are not utilized to support the court interpreter program revenue appropriation. Instead, provide that funding from penalty surcharge revenues. Base funding for court interpreters is $232,700.

Under current law, the Director of State Courts reimburses counties for the actual expenses

paid for interpreters required by circuit courts to assist persons with limited English proficiency. With regards to the penalty surcharge, when a court imposes a fine or forfeiture for most violations of state law or for a violation of municipal or county ordinance, the court must impose a penalty surcharge totaling 26% of the total fine or forfeiture.

[See "Justice" for information regarding the justice information surcharge and penalty surcharge]

CORRECTIONS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,361,442,400	$2,214,947,600	$2,215,595,600	$648,000	0.0%	- $145,846,800	- 6.2%
FED	5,234,600	5,179,800	5,179,800	0	0.0	- 54,800	- 1.0
PR	225,613,000	233,228,000	228,820,400	- 4,407,600	- 1.9	3,207,400	1.4
SEG	512,400	0	0	0	N.A.	- 512,400	- 100.0
TOTAL	$2,592,802,400	$2,453,355,400	$2,449,595,800	- $3,759,600	- 0.2%	- $143,206,600	- 5.5%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	9,636.87	9,564.77	9,564.77	0.00	- 72.10
PR	573.15	536.55	536.55	0.00	- 36.60
SEG	1.00	0.00	0.00	0.00	- 1.00
TOTAL	10,211.02	10,101.32	10,101.32	0.00	- 109.70

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 230]

GPR	- $76,305,400
PR	- 3,488,200
Total	- $79,793,600

Governor/Joint Finance: Provide -$38,152,700 GPR and -$1,744,100 PR annually for the following adjustments to the base budget: (a) turnover reduction (-$10,943,700 GPR, and -$460,800 PR annually); (b) removal of non-continuing items (-$82,100 GPR annually); (c) full funding of salaries and fringe benefits (-$34,501,800 GPR and -$1,584,700 PR annually); and (d) night and weekend differential ($7,374,900 GPR and $301,400 PR annually). It should be noted that, in the calculation of full funding of salaries and fringe benefits, costs associated with night and weekend differential are removed. Thus, the amounts for night and weekend differential represent the Department's estimated total cost.

2. OVERTIME - STANDARD BUDGET ADJUSTMENT AND SUPPLEMENT [LFB Paper 230]

GPR	$81,310,600
PR	2,953,800
Total	$84,264,400

Governor/Joint Finance: Provide base budget funding for overtime of $32,762,700 GPR and $1,457,600 PR annually. In addition, provide $7,892,600 GPR and $19,300 PR annually as an overtime supplement.

Under standard budget adjustments each budget cycle, funding associated with overtime (and night and weekend differential) are removed in the calculations of full funding of salaries and fringe benefits. The budget instructions related to overtime specify that the same dollar amounts only may be restored through the standard budget adjustment for overtime. As a result, the bill would provide overtime funding in the amount provided for the 2013-15 biennium, adjusted by the new variable fringe rate ($32,762,700 GPR and $1,457,600 PR annually). Based on 2013-14 actual hours of overtime, the bill would provide supplemental funding of $7,892,600 GPR and $19,300 PR annually. The supplemental funding includes monies for the utilization of limited-term employees to reduce overtime costs ($702,000 GPR annually) associated with coverage for inmate hospitalizations.

3. RISK MANAGEMENT [LFB Paper 231]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$6,134,600	- $3,067,200	$3,067,400
PR	865,400	- 432,600	432,800
Total	$7,000,000	- $3,499,800	$3,500,200

Governor: Provide $3,067,300 GPR and $432,700 PR annually for increased premium costs associated with liability, property, and workers compensation insurance coverage. The state's risk management program is an insurance program for state agencies administered by the Department of Administration (DOA). Each year, DOA assesses state agencies risk management premiums based generally on program costs, claims history, and risk exposure.

Joint Finance: Delete $1,533,600 GPR and $216,300 PR annually to provide approximately 50% of the additional funding for Corrections' risk management program.

4. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- $31,583,000
PR	- 230,300
Total	- $31,813,300

Governor/Joint Finance: Adjust funding by -$9,097,900 GPR and -$123,100 PR in 2015-16 and -$22,485,100 GPR and -$107,200 PR in 2016-17 to reflect the current law reestimate of GPR debt services costs on state general obligation bonds and commercial paper debt issued for the Department, and reestimated PR debt service. The reestimates include: (a) adult corrections, -$8,591,900 GPR and -$123,100 PR in 2015-16 and -$20,052,000 GPR and -$107,200 PR in 2016-17; and (b) juvenile corrections, -$506,000 GPR in 2015-16 and -$2,433,100 GPR in 2016-17. Base funding for debt

service is $95,854,300 GPR and $214,000 PR.

5. FUEL AND UTILITIES

GPR	- $8,686,500

Governor/Joint Finance: Delete $4,785,200 in 2015-16 and $3,901,300 in 2016-17 associated with reestimated funding for fuel and utilities in adult correctional institutions. Current base funding for the fuel and utilities appropriation is $32,123,100.

6. ELIMINATING LONG-TERM VACANCIES [LFB Paper 232]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $990,400	- 9.10	$0	0.00	- $990,400	- 9.10
PR	0	- 35.60	- 3,821,400	0.00	- 3,821,400	- 35.60
Total	- $990,400	- 9.10	- $3,821,400	0.00	- $4,811,800	- 44.70

Governor: Delete $495,200 GPR and 9.10 GPR positions and 35.60 PR positions annually associated with long-term vacancies (over one year) in the Department. The vacancies would be deleted from the following appropriations: (a) general program operations (-$270,100 GPR annually and -5.40 GPR positions); (b) services for community corrections (-$76,600 GPR annually and -1.10 GPR positions); (c) services for drunken driving offenders (-$28,700 GPR annually and -0.60 GPR position); (d) juvenile general program operations (-$119,800 GPR annually and -2.0 GPR positions); (e) correctional farms (-0.10 PR position); (f) prison industries (-20.40 PR positions); (g) correctional institution enterprises (-1.0 PR position); (h) interagency and intra-agency programs (-6.0 PR positions); (i) juvenile operations (-2.0 PR positions); (j) juvenile corrective sanctions (-2.0 PR positions); (k) juvenile canteen operations (-0.75 PR position); and (l) juvenile interagency and intra-agency programs (-3.35 PR positions). The bill would delete GPR funding associated with the GPR positions, but allow the Department to retain the expenditure authority for the PR funding associated with the PR positions.

Joint Finance: In addition to the Governor's recommendation, delete $1,910,700 PR annually in expenditure authority associated with the 35.60 PR positions.

7. RENT

GPR	$72,400
PR	- 210,700
Total	- $138,300

Governor/Joint Finance: Provide -$457,500 GPR and -$119,600 PR in 2015-16 and $529,900 GPR and -$91,100 PR in 2016-17 for rental costs on a departmentwide basis. The request would be divided as follows: (a) Division of Management Services (-$338,900 GPR and $23,400 PR in 2015-16 and -$230,400 GPR and $36,700 PR in 2016-17); (b) Division of Adult Institutions ($100 GPR and -$7,900 PR in 2015-16 and $200 GPR and -$2,000 PR in 2016-17); (c) Division of Community Corrections (-$243,900 GPR and $1,300 PR in 2015-16 and $634,800 GPR and $2,600 PR in 2016-17); (d) Secretary's Office ($100 GPR annually); (e) Parole Commission ($125,300 GPR annually) and

(f) Division of Juvenile Corrections (-$200 GPR and -$136,400 PR in 2015-16 and -$100 GPR and -$128,400 PR in 2016-17).

8. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	- 3.00	- $330,400	0.00	- $330,400	- 3.00

Governor: Delete 3.00 GPR positions identified by the administration as being generally related to marketing or communications. Positions would be deleted from the following appropriations or program areas: (a) Secretary's Office (1.00 position); and (b) Division of Adult Corrections (2.00 positions). Associated funding ($165,200 GPR annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. [See "Tourism."]

Joint Finance: Modify the Governor's recommendation by also deleting the funding associated with the positions, rather than reallocating funding to supplies and services ($165,200 GPR annually).

9. PROGRAM REVENUE REESTIMATES

PR	$1,491,100

Governor/Joint Finance: Provide $570,900 in 2015-16 and $920,200 in 2016-17 associated with the funding adjustments identified in the table below. The table identifies the program revenue appropriations that would be affected by this item, by program area, the base funding amounts for these appropriations, the funding changes that would be made to these appropriations under this item and other items in the bill, and the total funding that would be budgeted for these purposes under the bill.

Purpose	2014-15 Base	2015-16 Funding Adjustment	2015-16 Other Agency Budget Items	2015-16 Total	2016-17 Funding Adjustment	2016-17 Other Agency Budget Items	2016-17 Total
Central Warehouse	$8,021,300	-$446,300	$28,200	$7,603,200	-$446,300	$28,200	$7,603,200
Telephone Company Commissions	904,600	200,000	0	1,104,600	200,000	0	1,104,600
General Operations	3,818,500	500,000	23,500	4,342,000	500,000	23,500	4,342,000
GPS Tracking Devices	152,000	75,000	12,100	239,100	75,000	12,100	239,100
Juvenile Purchase of Services	340,000	-55,000	0	285,000	-55,000	0	285,000
Juvenile Residential Aftercare	6,169,700	224,200	0	6,393,900	528,800	0	6,698,500
Juvenile Utilities and Heating	512,600	63,000	0	575,600	107,700	0	620,300
Juvenile Institutional Repair	306,900	10,000	0	316,900	10,000	0	316,900
Total PR Reestimates		**$570,900**			**$920,200**		

10. REALIGNMENT OF FUNDING AND POSITIONS

Governor/Joint Finance: Transfer funding and positions between appropriations related to realignment of departmental activities. Table 1 identifies the funding and position changes by appropriation, while Table 2 identifies the changes in the appropriations by departmental division.

TABLE 1

Realignment of Funding and Positions by Appropriation

Appropriations	2015-16 Funding	2015-16 FTE	2016-17 Funding	2016-17 FTE	Fund Source
General Program Operations, Adult	$674,000	7.40	$674,000	7.40	GPR
Services for Community Corrections	-674,000	-7.40	-674,000	-7.40	GPR
Correctional Farms	176,800	1.75	176,800	1.75	PR
Prison Industries	-176,800	-1.75	-176,800	-1.75	PR
Juvenile Operations	196,600	3.00	196,600	3.00	PR
Juveniles Purchase of Services	-196,600	-3.00	-196,600	-3.00	PR
Total Realignment	$0	0.00	$0	0.00	

TABLE 2

Realignment of Funding and Positions
by Departmental Division

	2015-16		2016-17		Fund
	Funding	FTE	Funding	FTE	Source
Division of Management Services					
Correctional Farms	$65,600	0.75	$65,600	0.75	PR
Prison Industries	-65,600	-0.75	-65,600	-0.75	PR
Division of Adult Institutions					
Correctional Farms	111,200	1.00	111,200	1.00	PR
Prison Industries	-111,200	-1.00	-111,200	-1.00	PR
Secretary's Office					
General Program Operations	674,000	7.40	674,000	7.40	GPR
Services for Community Corrections	-674,000	7.40	-674,000	-7.40	GPR
Division of Juvenile Corrections					
Juvenile Operations	196,600	3.00	196,600	3.00	PR
General Program Operations, Juveniles	-196,600	-3.00	-196,600	-3.00	PR
Total Realignment	$0	0.00	$0	0.00	

11. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Department lapse $1,864,100 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

12. SURPLUS RETENTION LIMITATIONS FOR PROVIDERS OF RATE-BASED SERVICES AND RATE-REGULATED SERVICES

Joint Finance: Modify statutory contracting requirements for rate-based services and rate-regulated services as detailed below. Specify that these changes would take effect on January 1, 2016, and would first apply to contracts commencing performance after that date.

Current law enables DCF, the Department of Health Services (DHS), the Department of Corrections (DOC), and counties to enter into rate-based contracts with private agencies to provide social services, child welfare, economic support, public assistance, and correctional services to the public. Rate-based contracts procure client services on the basis of a unit rate per client. For proprietary agencies, such contracts provide a separate fixed add-on for profits. The bill would specify that a "rate-regulated service" means a rate-based service that is reimbursed

through a rate established under s. 49.343 (rate regulation of residential care centers, group homes, and child welfare agencies by DCF).

Nonprofit providers (including counties) are permitted to keep a portion of the excess revenue generated by a rate-based service. Retention of the surplus is meant to allow the provider to build a reserve that can be used to cover costs in other years for which the unit cost is inadequate to cover the costs under the contract. For DCF and DHS, retention of excess revenue has historically been limited by a two part test: a 5% annual limit and a 10% cumulative limit over four contract periods. Contracts may specify a retention limit lower than 5%, and any revenue in excess of the contracted limit must be returned to the purchasing agency. Under 2009 Wisconsin Act 335, the 5% annual limit was eliminated for certain child welfare agencies and waivers were provided for the 10% cumulative limit. The bill would repeal the 10% cumulative limit and prevent purchasers (counties, DCF, DHS, and DOC) from negotiating contracts with nonprofit providers which set an annual retention limit smaller than 5%.

In calculating the retained 5% amount for nonprofits and in calculating profits for proprietary agencies, the bill would permit agencies to: (a) offset surpluses and losses across all rate-regulated services; (b) offset surpluses in rate-regulated contracts generated by affiliated providers against deficits generated by affiliated providers (but not below zero); and (c) offset surpluses and deficits in both rate-based and rate-regulated contracts from a preexisting provider in the event of a merger, sale, or other transfer.

The bill would also specify that that the retained surpluses may be used for any allowable purpose under federal law in the sole discretion of the provider. Purchasers would not be entitled to restrict the use of the funds for such purposes.

Adult Corrections

1. ADULT CORRECTIONAL FACILITY POPULATIONS [LFB Paper 235 and 236]

Governor: Estimate a total average daily population in adult correctional facilities (correctional institutions and centers) and contract beds of 22,300 in 2015-16 and 22,427 in 2016-17. From this projection, the following table identifies the adjusted estimated distribution of this population.

	Average Daily Populations	
	2015-16	2016-17
Male Inmates	20,930	20,998
Female Inmates	1,358	1,417
Total*	22,288	22,415

*Excludes offenders in temporary locks (25 offenders annually) and inmates placed in federal or DJC beds (12 annually).

The Department operates 36 adult correctional facilities, including 20 correctional institutions and 16 correctional centers. In addition, Corrections utilizes prison contract beds, which includes state inmates held in Wisconsin county jails and federal facilities, and state inmates in temporary lockups.

Joint Finance: Reestimate the male and female populations as follows:

	Revised ADPs		Difference from Bill	
	2015-16	2016-17	2015-16	2016-17
Male Inmates	21,151	21,484	221	486
Female Inmates	1,381	1,442	23	25
Total	22,532	22,926	244	511

2. POPULATION AND INFLATIONARY COST INCREASES [LFB Paper 235]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$23,866,500	$297,200	$24,163,700

Governor: Provide $10,857,400 in 2015-16 and $13,009,100 in 2016-17 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) $127,400 in 2015-16 and $553,100 in 2016-17 for food costs; (b) $808,200 annually for variable non-food costs, such as clothing, laundry, inmate wages, and other supplies; and (c) $9,921,800 in 2015-16 and $11,647,800 in 2016-17 for inmate health care. The recommendation for inmate health services assumes that per capita inmate costs will increase from an estimated $2,664 in 2014-15 to $2,738 in 2015-16 and $2,815 in 2016-17. Health care costs include pharmaceutical costs, third party administrator costs, and contracting costs with the University Hospital and Clinics, the UW Medical Foundation, Waupun Memorial Hospital, and other community hospitals.

Joint Finance: Provide an additional $148,600 annually associated with inmate variable non-food costs to convert 150 probation and parole hold beds to inmate beds at Sturtevant Transitional Facility, accommodating higher male inmate population projections.

3. REDUCE THIRD SHIFT TOWER STAFFING POSTS [LFB Paper 237]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $6,120,300	- 60.00	$387,700	0.00	- $5,732,600	- 60.00

Governor: Delete $2,617,000 GPR in 2015-16 and $3,503,300 in 2016-17 and 60.0 positions annually the Department's general program operations appropriation associated with

reduced third shift staffing in guard towers. According to the administration, the reduction would "reflect reduced hours of staffing at guard towers at correctional institutions, while utilizing technology and strategic ground patrol to maintain security." Reductions were determined by calculating the number of positions associated with the reduced number of third shift posts at 10 institutions and applying the average correctional officer salary and fringe benefits (-$2,658,900 in 2015-16 and -$3,545,300 in 2016-17). The bill would also provide $41,900 in 2015-16 and $42,000 in 2016-17 associated with increased fuel and maintenance costs for vehicle perimeter patrol. While the 60.0 positions have not yet been specified, based on the identified reductions to tower staffing patterns, the following table identifies the associated institutions, and the salary and fringe benefit reductions.

Institution	FTE	2015-16	2016-17
Columbia Correctional Institution	-5.0	-$221,500	-$295,400
Dodge Correctional Institution	-5.0	-221,500	-295,400
Fox Lake Correctional Institution	-7.0	-310,200	-413,600
Green Bay Correctional Institution	-7.0	-310,200	-413,600
Jackson Correctional Institution	-2.0	-88,700	-118,200
Kettle Moraine Correctional Institution	-9.0	-398,800	-531,800
Oshkosh Correctional Institution	-9.0	-398,800	-531,800
Racine Correctional Institution	-3.0	-133,000	-177,300
Stanley Correctional Institution	-2.0	-88,700	-118,200
Waupun Correctional Institution	-11.0	-487,500	-650,000
	-60.0	-$2,658,900	-$3,545,300

Joint Finance: Retain 6.0 GPR positions and funding at Waupun Correctional Institution associated with staffing reductions for third shift staffing in guard towers until January 1, 2017, at which time the positions would be deleted ($265,900 and 6.0 positions in 2015-16 and $121,800 in 2016-17).

4. PRISON CONTRACT BED FUNDING [LFB Paper 235]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $111,900	$4,693,100	$4,581,200

Governor: Provide -$1,244,600 in 2015-16 and $1,132,700 in 2016-17 related to prison contract beds. The Department projects a total need of 571 contract prison beds in 2015-16 and 698 contract beds in 2016-17. Included in the number of contract beds are 500 beds the Department would use for extended supervision sanctions. Base funding for the contract bed appropriation is currently $12,947,000 GPR. In 2013-14, the average daily inmate population in Wisconsin county jails and federal prisons was 17 inmates, with an average of 469 beds used for extended supervision sanctions.

Joint Finance: Provide an additional $412,300 GPR in 2015-16 (14 additional contract beds) and $4,280,800 GPR in 2016-17 (220 additional contract beds) to accommodate higher

male inmate population projections.

5. FEMALE HOUSING UNIT [LFB Paper 236]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,083,800	- $363,700	$720,100

Governor: Provide $539,700 in 2015-16 and $544,100 in 2016-17 associated with opening a female housing unit at Taycheedah Correctional Institution for 60 female inmates. Funding would include: (a) $190,100 GPR in 2015-16 and $188,800 GPR in 2016-17 for overtime funding associated with 5.0 correctional officer positions; (b) $49,200 GPR annually associated with general supplies for opening the unit; and (c) $300,400 GPR in 2015-16 and $306,100 GPR in 2016-17 for inmate variable costs, including food, variable non-food, and health costs.

Joint Finance: Modify funding by -$185,200 in 2015-16 and -$178,500 in 2016-17 associated with the following: (a) $115,200 in 2015-16 and $127,600 in 2016-17 for additional population-related funding to accommodate higher female inmate population projections; and (b) -$300,400 in 2015-16 and -$306,100 in 2016-17 to remove population-related funding included for the Taycheedah female housing unit already provided under a separate provision.

6. OPIOID ADDICTION TREATMENT PILOT PROGRAM [LFB Paper 238]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,673,400	- $1,673,400	$0

Governor: Provide $836,700 annually associated with an opioid addiction treatment pilot program within the state prison system. Funding calculations assume the pilot program would include 100 offenders, who would receive monthly Vivitrol treatment injections and drug testing at an annual cost of approximately $8,400 per offender.

Joint Finance: Place the funding in the Joint Committee on Finance's supplemental appropriation. Specify that the Department submit a report to the Joint Committee on Finance for passive review by January 1, 2016, with a plan and more details on how the pilot program will be implemented. [See "Program Supplements."]

7. WATER SYSTEMS TREATMENT FUNDING

GPR	$176,000

Governor/Joint Finance: Provide $88,000 annually associated with the Department's repair and maintenance funding for treatment of microbial organisms in the Department's

institutional water systems.

8. PROGRAM REVENUE REESTIMATES - CORRECTIONAL FARMS AND PRISON INDUSTRIES

PR	$8,389,900

Governor/Joint Finance: Adjust program revenue funding by $845,200 in 2015-16 and $7,544,700 in 2016-17 for the Department's correctional farms and prison industries, associated with: (a) expansion of correctional farm milk operations and feed storage; and (b) increased expenditures for raw materials for prison industry products. The table identifies the base funding for correctional farms and prisons industries, the funding changes that would be made to these appropriations under the PR reestimates and other items in the bill, and the total funding that would be budgeted as a result.

		2015-16			2016-17		
Purpose	2014-15 Base	Funding Adjustment	Other Budget Items	Total	Funding Adjustment	Other Budget Items	Total
Correctional Farms	$6,127,800	$0	$192,700	$6,320,500	$5,500,000	$193,300	$11,821,100
Prison Industries	17,812,300	845,200	-114,100	18,543,400	2,044,700	-108,900	19,748,100

9. ELIMINATE COMPUTER RECYCLING PROGRAM

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	0.00	$50,000	0.00	$50,000	0.00
SEG	- $512,400	- 1.00	0	0.00	- 512,400	- 1.00
Total	- $512,400	- 1.00	$50,000	0.00	- $462,400	- 1.00

Governor: Delete the funding and position authority ($256,200 and 1.0 industries specialist) associated with the Department's computer recycling program. The Department previously administered a computer recycling program under which inmates salvaged, repaired and upgraded donated computers. Repaired computers were either sold or donated to schools, state or local agencies, and private non-profits. The Department administratively suspended the program in 2010 as a result of declining revenues, instead utilizing the program for computer recycling needs within the Department.

Joint Finance: Provide one-time funding of $25,000 GPR in each year of the 2015-17 biennium to the Department of Corrections' general program operations appropriation for wheelchair recycling.

10. CORRECTIONAL OFFICER PRE-SERVICE TRAINING STANDARDS BOARD [LFB Paper 239]

Governor: Create a correctional officer pre-service training standards board attached to the Department of Corrections. The board would include eight members: (a) the Secretary of Corrections, or his or her designee; (b) the Corrections training director; (c) the Corrections security chief, or his or her designee; (d) one Division of Community Corrections employee; (e) one Division of Juvenile Corrections employee; (f) one representative from the Department of Health Services; (g) one representative of the Wisconsin Technical College System; and (h) one public member who resides in Wisconsin and who is not employed with Corrections or in law enforcement. The non-ex officio members would be appointed by the Governor. Specify that the public member must be appointed for staggered four-year terms, and no member can serve beyond the time when the member ceases to hold the office, employment, or status for board eligibility.

Require the board to establish a process to certify persons as having met the professional standards that qualify them to be correctional officers. Under current law, no person may be permanently employed as a correctional officer unless the person has passed a preservice training program approved by the Department. The bill would require the new board, rather than the Department, to approve the training program.

Joint Finance: Delete provision.

11. WORKFORCE DEVELOPMENT REENTRY AND ASSESSMENT INITIATIVE

Joint Finance: Provide that the Department of Workforce Development (DWD) work with Corrections on an assessment initiative, teaching Corrections staff how to use assessment tools such as Workkeys and Key Train, to help assess individuals who are incarcerated to determine their educational and vocational needs and skills. Require the Secretary of DWD to ensure a Corrections representative serves on a committee of the state workforce board, to ensure that workforce programs serving offenders and former offenders have a voice on the board that oversees the state workforce system.

Community Corrections

1. GPS TRACKING FUNDING [LFB Paper 245]

GPR	$1,103,600
PR	109,800
Total	$1,213,400

Governor/Joint Finance: Provide $551,800 GPR and $54,900 PR annually associated with GPS tracking. Funding would include: (a) $136,700 GPR and $48,700 PR annually associated with full funding of supplies and rent costs for GPS tracking which were funded for only a portion of 2014-15; and (b) $415,100 GPR and

$6,200 PR annually associated with funding from the 2013-15 biennial budget which was placed in the Joint Committee on Finance's supplemental appropriation but not yet released to Corrections.

Since 2007, the Department has been required to monitor certain child sex offenders with GPS tracking. Since 2014, the Department also has been required to monitor individuals who violate a domestic abuse or harassment temporary restraining order or injunction, if GPS tracking is ordered by the court. As of February, 2015, the Department tracked 932 individuals. The Department estimates that number of individuals requiring GPS tracking will increase to 1,177 individuals in 2015-16 and to 1,353 in 2016-17, including tracked sex offenders and individuals who violate a domestic abuse or harassment temporary restraining order or injunction.

2. COMMUNITY CORRECTIONS SUPERVISION FEES [LFB Paper 246]

Governor/Joint Finance: Delete statutory language authorizing the Department to set community supervision varying rates and exemptions, and instead authorize the Department to charge a reasonable fee as determined by the Department to offenders under community supervision. Instead of being prohibited from charging a fee if an offender meets one of the exemptions, the Department would be authorized to decide to temporarily waive fees for a period of time for reasons established by Department policy, such as unemployment, health or disability, or participation in educational or treatment related programming. According to the Department, the modification would increase the Department's ability to collect supervision fees.

Under current law, the Department must charge a fee to offenders under community supervision to partially reimburse the Department for the costs of providing supervision and services. The Department must set varying rates for each offender based on ability to pay and with the goal of receiving at least $1 per day, if appropriate. The Department is prohibited from charging a fee if the offender meets any of the following exemptions: (a) is unemployed; (b) is pursuing a full-time course of instruction approved by the Department; (c) is undergoing treatment approved by the Department and unable to work; or (d) has a statement from a physician that the offender should be excused from working for medical reasons. Revenue from the fee collected is credited to the program revenue probation, parole, and extended supervision appropriation.

3. NEW INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION APPROPRIATION [LFB Paper 247]

PR-REV	$751,800
PR	$58,200

Governor: Create a new continuing program revenue appropriation for monies received from an offender submitting an interstate compact application to transfer supervision to another state. Under current law, offenders on supervision may request transfer to another state. The Department's policy manual specifies the procedures for an offender to submit a request and required documentation. The Department receives approximately 2,700 applications each year, and offenders are not currently assessed for costs for these requests.

Expenditure authority for the new appropriation would be $375,900 annually associated

with limited-term employee costs and supplies and services. The bill provides funding for the new appropriation by: (a) transferring $346,800 annually from the Department's probation, parole, and extended supervision appropriation; and (b) increasing the Department's expenditure authority by $29,100 annually. Funding assumes a new $150 application fee for approximately 2,500 applications annually.

Joint Finance: Modify the Governor's recommendation to specify that the new program revenue appropriation is an annual, rather than continuing appropriation.

4. REMOVE REQUIREMENT FOR FUNDING FOR CERTAIN COMMUNITY REINTEGRATION SERVICES [LFB Paper 248]

Governor/Joint Finance: Delete the statutory provision requiring the Department of Corrections to provide $50,000 GPR annually to Madison-area Urban Ministry, Inc. and $50,000 GPR annually to Project Return for community reintegration services. Under the bill, the Department would retain the associated funding for purchased services for offenders.

5. DIVISION OF HEARINGS AND APPEALS PROBATION, PAROLE, AND EXTENDED SUPERVISION HEARINGS [LFB Paper 120]

Governor/Joint Finance: Delete the Department of Administration's GPR appropriation for hearings and appeals and specify that the PR hearings and appeals fees appropriation is provided for the general program operations of the Division of Hearings and Appeals. As a result, state agencies, including the Department of Corrections, will be charged for hearings and appeals services.

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES [LFB Paper 250]

Governor: Estimate the juvenile correctional facility average daily population (ADP) to be 315 annually as shown in the table below. The juvenile facilities include Lincoln Hills School (males), Copper Lake School (females), the Mendota Juvenile Treatment Center, and the Grow Academy, an agriculture science-based experiential education program held at a facility in Oregon, Wisconsin. In addition, estimate the corrective sanctions program to be 99 juveniles annually and the aftercare supervision program to be 62 juveniles annually.

	Average Daily Population	
	2015-16	2016-17
Lincoln Hills School	243	243
Copper Lake School	33	33
Grow Academy	10	10
Mendota Juvenile Treatment Center	29	29
Total Juvenile Correctional Facility	315	315
Corrective Sanctions	99	99
Aftercare Supervision	62	62

Joint Finance: Reestimate the juvenile ADPs to be 308 annually at the juvenile correctional facilities, 88 juveniles in the corrective sanctions program, and 64 juveniles in the aftercare supervision.

	Revised ADPs	
	2015-16	2016-17
Lincoln Hills School	236	236
Copper Lake School	33	33
Grow Academy	10	10
Mendota Juvenile Treatment Center	29	29
Total Juvenile Correctional Facility	308	308
Corrective Sanctions	88	88
Aftercare Supervision	64	64

2. STATUTORY DAILY RATES [LFB Papers 250, 251, and 252]

Governor: Specify the following statutory daily rates to be established for juvenile correctional services provided or purchased by the Department that would be charged to counties and paid through counties' youth aids allocations, or paid by the state through the serious juvenile offender appropriation.

	Statutory Rates	Governor	
	7-1-14 thru 6-30-15	7-1-15 thru 6-30-16	7-1-16 thru 6-30-17
Juvenile Correctional Facilities*	$301	$279	$287
Corrective Sanctions	128	132	127
Aftercare Supervision	41	48	49

*Includes transfers from a juvenile detention facility to the Mendota Juvenile Treatment Center.

Under current law, daily rates for juvenile care in a given biennium are specified in statute by fiscal year for juvenile correctional facilities, corrective sanctions, and aftercare supervision. Specific rates for residential care centers, group homes, treatment foster homes, and regular foster homes were deleted under the 2011-13 biennial budget. Instead, the daily cost assessment for these placements is an amount equal to the amount the provider charges the Department.

Further, the daily rates for the juvenile correctional facilities currently includes a $17 add-on to address the juvenile operations appropriation deficit. The bill would reduce the $17 per day add-on to the juvenile correctional facility rates to a $6 add-on. Additionally, in a separate provision, the bill would delete the rates associated with corrective sanctions and aftercare, associated with modifications to juvenile supervision.

Joint Finance: Reestimate the daily rates as identified in the below table. The reestimated rates are based on: (a) updated juvenile population projections; and (b) incorporating a portion of the 2013 Act 145 lapse requirement ($286,800) into the projected costs for corrective sanctions in 2016-17.

	Modified Rates		Difference from Bill	
	2015-16	2016-17	2015-16	2016-17
Juvenile Correctional Facilities	$284	$292	$5	$5
Corrective Sanctions	148	152	16	25
Aftercare Supervision	46	48	-2	-1

3. POPULATION AND INFLATIONARY COSTS [LFB Paper 250]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$397,900	- $74,000	$323,900

Governor: Modify population-related funding for juvenile corrections by $170,000 in 2015-16 and $227,900 in 2016-17, as follows: (a) $103,900 in 2015-16 and $112,000 in 2016-17 for food costs at juvenile correctional facilities; (b) $88,900 annually for variable non-food costs (such as clothing, laundry, and personal items); and (c) -$22,800 in 2015-16 and $27,000 in 2016-17 for juvenile health costs.

Joint Finance: Decrease funding by -$36,300 in 2015-16 and -$37,700 in 2016-17 as a result of reestimated juvenile population projections.

4. SERIOUS JUVENILE OFFENDER PROGRAM REESTIMATE [LFB Paper 250]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$171,300	$790,300	$961,600

Governor: Provide funding of $163,200 in 2015-16 and $8,100 in 2016-17 to reflect costs associated with state-funded serious juvenile offenders (SJO). Increased costs are associated with the increase in statutory daily rates. The estimated average daily population (ADP) for the SJO population would be 163 in 2015-16 and 158 in 2016-17. The SJO program ADP through January, 2015, was 169. Base funding for the program is $14,526,000 GPR annually. Under the bill, the following average daily populations (ADPs) for the SJO

appropriation, are projected for the 2015-17 biennium:

Average Daily Population

Type of Care	Serious Juvenile Offenders 2015-16	2016-17
Juvenile Corrections Facilities	81	73
Corrective Sanctions Program	46	48
Aftercare Supervision	36	37
Total ADP	163	158
Alternate Care*	40	43

*A subset of corrective sanctions and aftercare supervision programs that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

The Department administers the SJO program for juveniles adjudicated delinquent and ordered to participate in the program. Under the program a juvenile is subject to supervision, care, and rehabilitation that is more restrictive than ordinary supervision in the community.

Joint Finance: Increase funding by $391,800 in 2015-16 and $398,500 in 2016-17 as a result of reestimated statutory daily rates.

5. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE

PR	$1,064,400

Governor/Joint Finance: Provide $498,000 in 2015-16 and $566,400 in 2016-17 related to payments to the Department of Health Services (DHS) for juveniles placed at the Mendota Juvenile Treatment Center. Modify current law to specify that Corrections transfer $2,929,200 in 2015-16 and $2,997,600 in 2016-17 from the PR juvenile correctional services appropriation to DHS. The Department contracts with DHS for 29 mental health beds for juveniles.

6. REESTIMATE FUNDING FOR YOUTH AIDS ASSOCIATED WITH EXTENDED OUT-OF-HOME PLACEMENTS [LFB Paper 253]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$286,300	- $135,600	$150,700
FED	- 54,800	0	- 54,800
PR	136,200	- 79,600	56,600
Total	$367,700	- $203,200	$152,500

Governor: Adjust youth aids funding associated with extended out-of-home placements for juveniles with an individualized education plan by $135,500 GPR, -$27,400 FED, and $65,800 PR in 2015-16 and $150,800 GPR, -$27,400 FED, and $70,400 PR in 2016-17 as authorized under 2013 Act 334.

Joint Finance: Modify funding by -$135,600 GPR and -$79,600 PR in 2015-16 to correctly reflect funding for the program.

7. TRANSFER OF COMMUNITY-BASED JUVENILE DELINQUENCY-RELATED SERVICES AND YOUTH AIDS FUNDING TO CHILDREN AND FAMILIES [LFB Paper 253]

	Funding	Positions
GPR	- $138,575,800	0.00
PR	- 3,922,500	-1.00
Total	- $142,498,300	-1.00

Governor: Modify current law to provide that, beginning on January 1, 2016, the Department of Children and Families, rather than the Department of Corrections, would administer the following appropriations and programs: (a) community family and youth aids (-$44,266,000 GPR and -$1,187,600 PR in 2015-16 and -$88,741,100 GPR and -$2,519,600 PR in 2016-17); (b) community intervention program (-$1,856,200 GPR in 2015-16 and -$3,712,500 GPR in 2016-17); and (c) Indian juvenile placements (renamed tribal delinquency placements, -$37,500 PR in 2015-16 and -$75,000 PR in 2016-17). In addition, transfer one financial specialist position and associated funding (-$34,300 PR in 2015-16 and -$68,500 PR in 2016-17 and -1.00 PR annually) related to the administration of community family and youth aids funding.

Further, modify current law definitions to distinguish between community-based juvenile delinquency-related services and juvenile correctional services. The Department of Children and Families (DCF) would be responsible for administering the community-based juvenile delinquency-related services, while the Department of Corrections (DOC) would retain authority over juvenile correctional services. A description of the programs is below.

Juvenile Community-Based Delinquency-Related Services; Juvenile Correctional Services. Under current law, DOC supervises the administration of juvenile delinquency-related services. Under the bill, DCF would execute the laws relating to the detention, reformation, and correction of delinquent juveniles, other than juveniles under DOC's jurisdiction, and promote the enforcement of laws for the protection of those juveniles by: (a) cooperating with the courts, DOC, county departments, licensed child welfare agencies, and institutions in providing community-based programming, including in-home programming and intensive supervision; and (b) establishing and enforcing standards for the development and delivery of services provided by DCF in regard to adjudicated juveniles.

Corrections would retain authority over juveniles placed in the Serious Juvenile Offender program, juveniles placed in a juvenile correctional facility or a secured residential treatment center for children and youth, and all juveniles placed in the aftercare program.

Community Youth and Family Aids. Under current law, DOC administers funding for community youth and family aids (youth aids), with statutory provisions identifying how specific youth aids allocations are distributed. The bill would transfer the funding and administration for youth aids to DCF, with the statutory provisions for funding distributions remaining unchanged (except for update distributions for the 2015-17 biennium).

Under the bill, DCF would be required to: (a) develop procedures for implementation of

youth aids and standards for development and delivery of community-based juvenile delinquency-related services; (b) provide consultation and technical assistance to aid counties in the implementation and delivery of those services; and (c) establish information systems and monitoring and evaluation procedures to report periodically to the Governor and Legislature on the statewide impact of youth aids.

Under a separate provision, prior to transfer to DCF, increased funding for youth aids would be provided associated with extended out-of-home placements. With the adjustments, the revised calendar year allocations for youth aids would be adjusted for the 2015-17 biennium as follows: (a) $45,572,100 from the last six months of 2015; (b) $91,150,200 for 2016; and (c) $45,578,100 for the first six months of 2017. Total funding for youth aids under the bill would be $91,240,800 in 2015-16 ($88,725,800 GPR and $2,515,000 PR) and $91,260,700 in 2016-17 ($88,741,100 GPR and $2,519,600 PR).

Community Intervention Program. Under current law, DOC distributes $3.7 million GPR annually for early intervention services for first-time juvenile offenders and for intensive community-based intervention services for seriously chronic juvenile offenders. The bill would transfer funding and administration of the program to DCF.

Indian Juvenile Placements. Under current law, DOC reimburses Indian tribes and county departments for unexpected or unusually high-cost out-of-home placements of Indian juveniles who have been adjudicated delinquent by tribal courts. Under the bill, funding ($75,000 PR annually) and administration for these reimbursements would be transferred to DCF..

The bill includes numerous statutory reference changes in Chapter 46 (Social Services), Chapter 48 (Children's Code) and Chapter 49 (Public Assistance and Children and Families) to reflect the transfer of the administration of juvenile community services, youth aids, the community intervention program, and juvenile tribal delinquency placements to DCF, while maintaining juvenile correctional services with DOC.

The effective date for the above provisions would be January 1, 2016. The bill would provide a nonstatutory provision related to the following areas affected by the transfer from DOC to DCF: (a) assets and liabilities; (b) positions and employees; (c) employee status; (d) tangible personal property; (e) pending matters; (f) contracts; (g) rules and orders.

Joint Finance: Approve the Governor's recommendation, modified to incorporate clarifications identified by DOC and DCF, including: (a) transferring the 1.0 position to DCF's general program operations appropriation, rather than the new youth aids appropriation; and (b) retaining juvenile justice provisions under Chapter 938 of the statutes with statutory language added to clarify each Department's authority and responsibilities under Chapter 938.

8. COMMUNITY INTERVENTION PROGRAM

Governor/Joint Finance: Delete statutory language specifying that the Department pay $3,750,000 annually to counties for the community intervention program. Instead, the Department would distribute the amounts appropriated for the program. Under current law,

Corrections makes payments to counties for early intervention services for first offenders and for intensive community-based intervention services for seriously chronic offenders. Base funding for the program is $3,712,500 GPR.

9. JUVENILE CORRECTIONAL COMMUNITY SUPERVISION SERVICES [LFB Paper 254]

Governor/Joint Finance: Modify statutory law by repealing references to juvenile corrective sanctions and aftercare services, and replacing the references with juvenile "community supervision." Further, delete statutory language specifying the daily rates for corrective sanctions and aftercare services. Instead, provide that the daily rate for community supervision services would be an amount determined by the Department based on the costs of providing those services. Multiple rates may be established for varying types and levels of services, and rates would be calculated by the Department prior to the beginning of each fiscal year and submitted to the Joint Committee on Finance for passive review. The bill does not specify the types and levels of services to be reviewed.

The bill would modify the corrective sanctions program to be a community supervision program. Under the new community supervision program, the Department would purchase or provide any of the following juvenile community correctional supervision services: (a) surveillance available 24 hours a day, seven days a week, including electronic or GPS monitoring, based on the juvenile's risk level and community safety; (b) report center programming, including social, behavioral, academic, community service, and other programming, after school, in the evening, on weekends, on other non-school days, and at other times when the juvenile is not under immediate adult supervision; (c) contacts with the juvenile and the juvenile's family of a type, frequency, and duration commensurate with the juvenile's level of risk and individual treatment needs; and (d) case management services provided by a juvenile community supervision agent.

The revisions would occur starting in the 2017-19 biennium on July 1, 2017, or the second day after publication of the 2017-19 biennial budget act.

Under current law, the Department must provide a corrective sanctions program to serve an average daily population of 136 juveniles (or more, if additional funding and positions are provided by the Joint Committee on Finance or otherwise become available) in not less than three counties, including Milwaukee County (in 2013-14, 16 counties utilized the program). The Department is required to have a report center in Milwaukee County. The Office of Juvenile Offender Review evaluates and selects juveniles for the program who have been placed in a juvenile correctional facility. Under the program, a juvenile is placed in the community and provided with intensive surveillance. In addition, an average of not more than $3,000 annually is provided to purchase community-based treatment services for each corrective sanctions slot. The bill would repeal this language related to corrective sanctions. The bill would also remove the case management caseload limit of approximately 15 juveniles per agent.

A separate provision of the bill would transfer certain community-based juvenile delinquency-related services to the Department of Children and Families, including the

administration of youth aids funding. Under current law, a portion of youth aids funding is allocated to counties for contracting for corrective sanctions services, with Corrections determining a county's distribution by dividing the allocated amount by the number of slots authorized under the program and multiplying by the number of slots utilized by the county. Under the bill, the Department of Children and Families would distribute to each county the full amount of the charges for services purchased by each county, except that if the amounts available are insufficient, the Department would distribute the available amounts to each county based on the ratio that the charges for services purchased by each county applied to the total charges for all the counties that purchased services.

COURT OF APPEALS

Budget Summary							
				Joint Finance Change to:			
	2014-15 Base	2015-17	2015-17	Governor		Base	
Fund	Year Doubled	Governor	Jt. Finance	Amount	Percent	Amount	Percent
GPR	$20,814,400	$21,384,200	$21,384,200	$0	0.0%	$569,800	2.7%

FTE Position Summary					
		2016-17	2016-17	Joint Finance Change to:	
Fund	2014-15 Base	Governor	Jt. Finance	Governor	2014-15 Base
GPR	75.50	75.50	75.50	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	$569,800

Governor/Joint Finance: Provide adjustments to the base budget for: (full funding of continuing position salaries and fringe benefits ($213,600 annually); and (b) full funding of lease and directed moves costs ($56,900 in 2015-16 and $85,700 in 2016-17).

DISTRICT ATTORNEYS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$92,592,200	$88,252,300	$88,760,000	$507,700	0.6%	- $3,832,200	- 4.1%
PR	7,037,400	7,065,500	7,065,500	0	0.0	28,100	0.4
TOTAL	$99,629,600	$95,317,800	$95,825,500	$507,700	0.5%	- $3,804,100	- 3.8%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	383.95	383.95	385.15	1.20	1.20
PR	51.00	41.00	41.00	0.00	- 10.00
TOTAL	434.95	424.95	426.15	1.20	-8.80

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 260]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,057,300	- $132,700	$2,924,600
PR	1,385,000	0	1,385,000
Total	$4,442,300	- $132,700	$4,309,600

Governor: Provide adjustments to the base totaling $1,232,100 GPR and $726,700 PR in 2015-16, and $1,825,200 GPR and $658,300 PR in 2016-17. Adjustments are for: (a) turnover reduction (-$210,600 GPR annually); (b) removal of non-continuing elements from the base (-$68,400 PR in 2016-17); (c) full funding of continuing position salaries and fringe benefits ($1,347,900 GPR and $726,700 PR in 2015-16, and $1,941,000 GPR and $726,700 PR in 2016-17); and (d) night and weekend differential pay ($94,800 GPR annually).

Joint Finance: Modify funding provided for the full funding of continuing position

salaries and fringe benefits by $174,400 GPR in 2015-16 and -$307,100 GPR in 2016-17 to account for inadvertent errors made while calculating salary figures for District Attorneys, assistant district attorneys, and deputy district attorneys.

2. ELIMINATE BASE FUNDING FOR PAY PROGRESSION [LFB Paper 261]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $7,397,200	$556,900	- $6,840,300

Governor: Eliminate base funding for pay progression for assistant district attorneys (ADA) and deputy district attorneys (DDA). Under 2011 Act 238, a salary adjustments GPR appropriation was created to supplement the agency's salary and fringe benefit funding in order to support annual salary adjustments for ADAs and DDAs under the pay progression plan. Base funding for the salary adjustments appropriation is $3,698,600. While the bill would eliminate base funding for pay progression for ADAs and DDAs, the bill would not eliminate the pay progression appropriation and statutory structure. However, any funding for pay progression salary adjustments in the 2015-17 biennium would need to be supported from within the agency's budget or from compensation reserves, or both.

Under 2011 Act 238, ADAs are compensated pursuant to a merit-based pay progression plan that consists of 17 hourly salary steps, with each step equal to one seventeenth of the difference between the prosecutor's lowest possible annual salary ($49,430) and the highest possible annual salary ($119,472). Deputy district attorneys are also compensated based on the pay progression plan under 2013 Act 20. Notwithstanding the creation of a 17 hourly salary step pay progression plan, supervising district attorneys may: (a) deny annual salary increases to individual ADAs and DDAs; and (b) increase the salary of individual ADAs and DDAs by up to 10% per year.

Joint Finance: Provide $556,900 in 2016-17 in order to support salary adjustments for eligible ADAs and DDAs under the pay progression plan. The funding is intended to support a 2% average salary adjustment for eligible ADAs and DDAs under the pay progression plan in 2016-17.

3. REMOVE PERMANENT POSITIONS FROM THE BASE

	Funding	Positions
PR	- $1,367,600	- 10.00

Governor/Joint Finance: Reduce expenditure and position authority by $683,800 ($492,400 in salaries and $191,400 in fringe benefits) annually and 10.0 prosecutor positions for the District Attorney's gifts and grants continuing PR appropriation to eliminate positions for which local and federal grant funding to support the positions is no longer available. The 10.0 positions are comprised of: (a) 1.0 prosecutor position in Brown County; (b) 1.0 prosecutor position in Dane County; (c) 6.0 prosecutor positions in Milwaukee County; and (d) 2.0 prosecutor positions in Saint Croix County.

4. STATE PROSECUTORS OFFICE TRANSFER [LFB Paper 263]

Governor: Transfer the State Prosecutors Office from the Department of Administration to the Department of Justice. The State Prosecutors Office is responsible for coordinating administrative duties relating to the district attorney offices. Major responsibilities of the Office include: (a) payroll; (b) fringe benefits; (c) budgets; (d) billing counties for grant-funded positions; (e) collective bargaining (restricted to salary increases only); (f) advising elected DAs on their rights and responsibilities under the state compensation plan, Office of State Employment Relations administrative code, and the statutes; (g) producing fiscal notes and bill analyses for legislative proposals affecting the DAs; and (h) serving as a central point of contact for all prosecutors. Funding and position authority associated with the transfer of the State Prosecutors Office totals $181,700 GPR and 1.0 GPR position. [See "Justice" and "Administration -- Transfers."]

Joint Finance: Delete provision.

5. SPECIAL PROSECUTOR APPOINTMENTS [LFB Paper 262]

Governor: Modify current law related to special prosecutor appointments as identified below. Under current law, a court may appoint an attorney as a special prosecutor to assist the District Attorney (DA) in the following situations: (a) the prosecution of persons charged with a crime; (b) grand jury proceedings; (c) John Doe proceedings; (d) sexually violent person commitment proceedings; and (e) investigations.

Reason for Appointment. Under current law, a court, on its own motion or at the request of a DA, may appoint a special prosecutor if the DA is physically unable to attend to his or her duties or the DA has a mental incapacity that impairs the DA's ability to substantially perform his or her duties. A court may also appoint a special prosecutor if: (a) there is no DA for the county; (b) the DA is absent from the county; (c) the DA has acted as the attorney for the accused party in a matter relating to which the accused stands to be tried; (d) the DA is near of kin to the accused party; (e) the DA is serving in the U.S. armed forces; (f) the DA stands charged with a crime; (g) the DA determines that a conflict of interest exists with the DA or the DA's staff; or (h) a complaint received by the court relates to the conduct of the DA to whom the judge would normally refer the complaint.

The bill would modify current law related to the appointment of a special prosecutor if a DA is physically unable to attend to his or her duties to specify that a court may appoint a special prosecutor in such circumstance, only if the DA is unable to attend to his or her duties due to a health issue or a mental incapacity that impairs the DA's ability to substantially perform his or her duties.

Role of the Department of Justice. Modify current law to specify that a court may appoint a special prosecutor only if the judge, or the requesting DA, submits an affidavit to the Department of Justice attesting that one of the conditions outlined in "reason for appointment" above, exists. Further, require that the Department of Justice approve the court's appointment of the special prosecutor prior to the court fixing the amount of compensation for the special

prosecutor. Under current law, no affidavit is required.

Payment of Interest. Under current law, payments to special prosecutors made later than 30 days after the receipt of a properly completed invoice or the completion of the attorney's services, whichever is later, are subject to a 12% interest rate compounded monthly.

The bill would provide that payments to special prosecutors made more than 30 days after the receipt of a properly completed invoice or the completion of the attorney's services, whichever is later, are not subject to an interest fee. This provision would first apply to all appointments made on the effective date of the budget bill.

Joint Finance: Modify the Governor's recommendation as follows:

Reason for Appointment. Specify that a special prosecutor may be appointed by the court if a District Attorney, assistant district attorney, or deputy district attorney in a District Attorney office is on maternity or paternity leave.

Role of the Department of Justice. As a result of deleting the transfer of the State Prosecutors Office to DOJ (item #4), require that the affidavit prepared by the court or the requesting District Attorney be submitted to the Department of Administration, rather than the Department of Justice. Further, require that the Department of Administration, rather than the Department of Justice, approve the court's appointment of a special prosecutor prior to the court fixing the amount of compensation for the special prosecutor.

Payment of Interest. Delete the provision exempting the District Attorneys from incurring interest fees on payments to special prosecutors. Instead, increase the number of days that the District Attorneys have to pay special prosecutors without incurring interest fees from 30 days to 120 days. As a result, payments to special prosecutors made later than 120 days after the receipt of a properly completed invoice or the completion of the attorney's services, whichever is later, would be subject to a 12% annual interest rate compounded monthly. The extension of time that the District Attorneys would have to make payments to special prosecutors without incurring interest fees would first apply to appointments made on the effective date of the budget bill.

6. FUNDING FOR MILWAUKEE COUNTY CLERKS

PR	$10,700

Governor/Joint Finance: Provide $3,600 in 2015-16 and $7,100 in 2016-17 to fully fund the salary and fringe benefit costs of 6.5 clerks in the Milwaukee County District Attorney's office who provide clerical services to prosecutors that handle violent crime and felony drug violations, as well as violations relating to the unlawful possession or use of a firearm. Program revenue funding for the clerks is generated from a $3.50 special prosecution clerks surcharge that is assessed only in Milwaukee. The surcharge is generally assessed in Milwaukee when a person: (a) pays a fee for a civil, small claims, forfeiture, wage earner, or garnishment action; or (b) files an appeal from municipal court, a third party complaint in a civil action, or a counterclaim or cross complaint in a small claims action. Base funding for the clerks is $354,000.

7. INCREASE AUTHORIZED DEPUTY DISTRICT ATTORNEYS

Governor/Joint Finance: Modify current law to authorize district attorneys that serve a prosecutorial unit having a population of 500,000 or more to appoint up to seven deputy district attorneys. Under current law, district attorneys that serve a prosecutorial unit having a population of 500,000 or more may only appoint up to five deputy district attorneys. The population of a prosecutorial unit is based on the most recent population estimate performed by the Department of Administration, pursuant to s. 16.96 of the statutes. Currently, the two prosecutorial units that have a population of 500,000 or more are Milwaukee County and Dane County. In addition to prosecuting cases, deputy district attorneys perform supervisory and administrative duties.

8. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the agency lapse $43,300 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

9. INCREASE PART-TIME DISTRICT ATTORNEYS TO FULL-TIME

	Funding	Positions
GPR	$83,500	1.20

Joint Finance: Provide $83,500 and 1.2 DA positions in 2016-17 in order to increase part-time elected DAs in Florence County, Buffalo County, and Pepin County to full-time, beginning January 2, 2017. [Note that January 2, 2017, will be the first day of the elected District Attorneys' four-year term of office beginning in 2017.] Further, effective January 2, 2017, repeal the current law requirement that the DAs for Florence County, Buffalo County, and Pepin County serve on a part-time basis. As a result, the DAs for Florence County, Buffalo County, and Pepin County must serve on a full-time basis beginning January 2, 2017. Currently, Florence County has a 0.5 full-time equivalent DA, Buffalo County has a 0.5 full-time equivalent DA, and Pepin County has a 0.8 full-time equivalent DA.

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$15,941,400	$10,445,800	$12,926,500	$2,480,700	23.7%	- $3,014,900	- 18.9%
FED	2,343,600	2,343,600	2,343,600	0	0.0	0	0.0
PR	21,554,400	26,691,100	23,396,500	- 3,294,600	- 12.3	1,842,100	8.5
TOTAL	$39,839,400	$39,480,500	$38,666,600	- $813,900	- 2.1%	- $1,172,800	- 2.9%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	35.14	12.00	26.94	14.94	- 8.20
PR	21.54	36.18	28.24	- 7.94	6.70
TOTAL	56.68	48.18	55.18	7.00	- 1.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $119,500
PR	171,900
Total	$52,400

Governor/Joint Finance: Reduce the base budget by $62,500 GPR in 2015-16 and $57,000 GPR in 2016-17 and increase the base budget by $83,100 PR in 2015-16 and $88,800 PR in 2016-17 to fund: (a) continuing position salaries and fringe benefits (-$41,500 GPR and -$17,700 PR annually); (b) overtime ($63,500 GPR and $10,400 PR annually); (c) night and weekend differential pay ($7,500 GPR and $2,900 PR annually); and (d) lease and directed moves costs (-$92,000 GPR in 2015-16 and -$86,500 GPR in 2016-17 and $87,500 PR in 2015-16 and $93,200 PR in 2016-17).

2. REDUCE GPR FUNDING AND POSITIONS [LFB Paper 265]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $4,968,400	- 15.80	$2,614,100	8.60	- $2,354,300	- 7.20
PR	4,968,400	15.80	- 3,294,600	- 8.60	1,673,800	7.20
Total	$0	0.00	- $680,500	0.00	- $680,500	0.00

Governor: Reduce funding by $2,484,200 GPR annually and delete 15.8 GPR positions beginning in 2015-16 from the following appropriations: (a) instructional technology general program operations ($1,647,300 and 8.60 positions); (b) Milwaukee Area Technical College ($211,900); and (c) programming ($625,000 and 6.2 positions). Increase the amount needed to be generated by ECB in gifts, grants, contracts, leases, instructional material, and copyrights by $2,484,200 PR annually and increase the number of positions authorized for that appropriation by 15.8 PR positions beginning in 2015-16.

In addition, delete statutory language requiring ECB to contract with the Milwaukee Area Technical College for television facilities access, programs produced by the technical college that are of statewide interest, or both, and the related appropriation. The bill would also delete the requirement that ECB expend at least $140,200 annually from its GPR appropriation for programming, a PR appropriation, or its federal grants appropriation for the development and periodic update of instructional television programs that are specific to this state for use in schools.

According to the Executive Budget Book, it is the intention of the Governor that the remaining 12.0 GPR positions be used to support Amber Alert and other transmission functions.

Joint Finance: Delete the Governor's proposed reduction to ECB's GPR general program operations appropriation by restoring $1,647,300 GPR annually and 8.6 GPR positions beginning in 2015-16, and delete $1,647,300 PR annually and 8.6 PR positons provided under the Governor. Delete the programming appropriation beginning in 2015-16 and eliminate the GPR funding provided through that appropriation (-$337,500 in 2015-16 and -$343,000 in 2016-17 in addition to the $625,000 annual reduction under the Governor's bill). In addition, delete current law specifying that ECB may procure or publish instructional material when appropriate and related to the programs of the state educational radio and television network and that permits ECB to establish a reasonable handling charge to cover the costs of providing such material.

3. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- $385,600
PR	- 3,600
Total	- $389,200

Governor/Joint Finance: Decrease funding by $144,000 GPR in 2015-16 and $241,600 GPR in 2016-17 and by $3,300 PR in 2015-16 and $300 PR in 2016-17 to reestimate debt service costs. Annual base level funding for debt service is $2,860,200 GPR and $13,900 PR.

4. FUEL AND UTILITIES REESTIMATE

GPR	- $22,100

Governor/Joint Finance: Decrease funding by $20,600 in 2015-16 and $1,500 in 2016-17 to reestimate fuel and utility costs. Annual adjusted base level funding for fuel and utilities is $868,200.

5. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	- 3.34	3.34	0.00
PR	- 0.66	0.66	0.00
Total	- 4.00	4.00	0.00

Governor: Require that all information technology services for the Educational Communications Board be provided by the Department of Administration (DOA).

Delete 4.0 positions annually from the following appropriations to transfer responsibility for all information technology services from ECB to DOA: (a) GPR general program operations (3.34 positions); and (b) gifts, grants, contracts, leases, instructional material, and copyrights (0.66 positions). Funding associated with the positions ($293,300 GPR and $54,900 PR annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that ECB's assets and liabilities related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

6. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	- 3.00	3.00	0.00

Governor: Delete 3.0 positions annually from ECB's appropriation for general program

operations for a shared agency services pilot program under the Department of Administration (DOA). Funding associated with the positions ($241,700 GPR annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

7. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	- 1.00	- $133,400	0.00	- $133,400	- 1.00

Governor: Transfer a 1.0 media supervisor-advanced position to the Department of Tourism. The funding associated with the position ($66,700 GPR annually) would not be reduced, but rather reallocated to supplies and services to pay the Department of Tourism for marketing services.

This provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting funding associated with the positions, rather than reallocating funding to supplies and services.

8. ELIMINATE LONG-TERM VACANCIES

	Positions
PR	- 0.50

Governor/Joint Finance: Beginning in 2015-16, delete a 0.50 position funded through ECB's appropriation for gifts, grants, contracts, leases, instructional materials, and copyrights that has been vacant for 12 months or more.

9. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 20 requirement that ECB lapse $85,500 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

10. AFFILIATION AGREEMENT WITH THE UW SYSTEM

Governor: Delete the requirement that ECB negotiate an affiliation agreement with the UW System. Another bill provision would delete the requirement that the Board of Regents enter into an affiliation agreement with ECB. Both provisions would take effect on July 1, 2016.

Joint Finance: Delete provision.

EMPLOYEE TRUST FUNDS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$433,200	$378,600	$378,600	$0	0.0%	- $54,600	- 12.6%
SEG	85,275,200	89,515,600	89,376,100	- 139,500	- 0.2	4,100,900	4.8
TOTAL	$85,708,400	$89,894,200	$89,754,700	- $139,500	- 0.2%	$4,046,300	4.7%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
SEG	266.20	267.20	267.20	0.00	1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	$3,623,200

Governor/Joint Finance: Provide adjustments to the base budget totaling $1,791,200 in 2015-16, and $1,832,000 in 2016-17. Adjustments are for: (a) turnover reduction (-$473,500 annually); (b) full funding of continuing position salaries and fringe benefits ($2,208,300 annually); (c) overtime ($45,700 annually); (d) night and weekend differential ($72,400 annually); and (e) full funding of lease and directed moves costs (-$61,700 in 2015-16, and -$20,900 in 2016-17).

2. ANNUAL PAYMENTS TO ELIGIBLE EMPLOYEES IN LIEU OF HEALTH INSURANCE COVERAGE [LFB Papers 270 and 271]

Governor: Provide that full- and part-time state employees who are eligible to receive healthcare coverage, other than graduate assistants, could elect not to receive healthcare coverage and instead receive a $2,000 annual payment if the employee makes the election: (a) on a form provided by the Department of Employee Trust Funds (ETF); and (b) within 30 days of being hired or during the annual healthcare enrollment period established by ETF. If the employee made the election within 30 days of being hired, the employee could not receive state healthcare

coverage during the calendar year in which the election was made. If the employee made the election during the annual healthcare enrollment period, the employee could not receive healthcare coverage during the succeeding calendar year.

Annual payments made to eligible employees in lieu of health insurance coverage would be paid from the appropriation account that would otherwise have been used to pay the employer contribution toward premium payments for that employee. If an employee made an election to receive this payment in lieu of health insurance coverage within 30 days of being hired, the employer would be required to prorate the $2,000 payment according to the remaining number of months in the calendar year in which the election was made.

In a June 30, 2014, report to ETF, the Department's consulting actuary (Deloitte) estimated that the fiscal impact of providing a $2,000 annual incentive payment to state employees to opt-out of state health insurance coverage could range from $4 million in additional annual costs to $18 million in additional annual savings (all funds). The Budget in Brief provides that "the budget assumes savings of $25 million over the biennium related to containing costs in state employee health care." The administration indicates that the estimated savings are associated with measures to be adopted by the Group Insurance Board to reduce state health insurance costs, including any savings generated from state employees opting out of health insurance coverage in return for annual incentive payments. The administration's estimated savings are reflected in amounts set aside under "compensation reserves" in the 2015-17 general fund condition statement.

Joint Finance: Provide that the following state employees would be ineligible to receive a $2,000 annual payment in lieu of health insurance coverage: (a) any state employee who opted-out of state group health insurance coverage in calendar year 2015; and (b) married state employees or state employees in a domestic partnership whose spouse or domestic partner is receiving state health insurance coverage.

3. TRANSFER OF PROCUREMENT POSITION TO THE DEPARTMENT OF ADMINISTRATION [LFB Paper 272]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- 1.00	1.00	0.00

Governor: Delete $79,400 and 1.0 position annually responsible for procurement and purchasing at ETF. Transfer the position to the Department of Administration (DOA). Provide $79,400 annually in supplies and services funding to ETF to permit the Department to fund the costs of procurement services provided to ETF by DOA. The Executive Budget Book indicates that the position would be responsible for: (a) ETF procurement; (b) Historical Society procurement and purchasing; (c) State Fair Park Board procurement and purchasing; and (d) procurement and purchasing for agencies participating in the shared agency services pilot program. Under the shared agency services pilot program, responsibility for procurement and other administrative services would transfer from several agencies to DOA.

Specify that on the effective date of the bill, a 1.0 position and the incumbent employee holding the position in ETF who performs duties relating to procurement, as determined by the Secretary of DOA, would be transferred to DOA. Provide that the employee would have the same rights and status in DOA as he or she had at ETF immediately before the transfer. Further, provide that if the employee had obtained permanent status, he or she would not have to undergo a probationary period at DOA.

Joint Finance: Delete provision. Further, authorize ETF and its governing boards to purchase all supplies, materials, equipment, and contractual services required to carry out their responsibilities. Provide that contracts entered into by ETF or its governing boards must be signed by an individual authorized by the Secretary of ETF. Specify that ETF and its governing boards must maintain copies of all purchasing requisitions and contracts and must permit inspection and copying of these documents as required under subchapter II of Chapter 19 (General Duties of Public Officials). Require ETF and its governing boards to file all bills and statements for purchases and engagements with the Secretary of DOA, who would be required to audit and authorize payment of all such bills and statements.

Delete the authority of DOA to require ETF and its governing boards to utilize DOA procurement and purchasing services. Require DOA, upon request, to: (a) make recommendations and provide assistance to ETF and its governing boards regarding purchasing procedure; and (b) process requisitions for purchases submitted by ETF or a governing board and procure materials, supplies, equipment, and services for ETF or a governing board in accordance with the statutory purchasing procedure prescribed for executive branch agencies.

4. ACTUARIAL AUDIT AND IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

SEG	$365,000

Governor/Joint Finance: Provide $150,000 annually in supplies and services funding to permit ETF to comply with new accounting standards issued by the Governmental Accounting Standards Board (GASB). The GASB is recognized as the official source of generally accepted accounting principles (GAAP) for state and local governments.

In addition, provide $65,000 in one-time financing in 2015-16, to permit the Legislative Audit Bureau (LAB) pursuant to s. 13.94(1)(dc), to meet its obligation, at least once every five years, to contract for the performance of an actuarial audit of the Wisconsin retirement system. While the LAB oversees the audit, the cost of the audit is charged to ETF.

5. ADMINISTRATION OF OPTIONAL INSURANCE PLANS [LFB Paper 273]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$139,500	1.00	- $139,500	- 1.00	$0	0.00

Governor: Provide $65,500 in 2015-16, and $74,000 in 2016-17 and 1.0 employee benefit plans policy advisor-advanced position annually to administer optional insurance plans on behalf of participating state employees and Wisconsin Retirement System (WRS) annuitants who elect to continue coverage upon retirement. Reduced funding in 2015-16 reflects nine months of funding for the position in the first year of the biennium.

The Group Insurance Board (GIB) may offer optional forms of insurance, in addition to group insurance plans specifically provided for in the statutes (such as group health insurance and group income continuation insurance), provided employees pay the entire premium amount. Costs associated with the position would be funded from administrative fees assessed on employees participating in the optional insurance programs.

The state is currently undertaking a project to replace various existing finance, procurement, human resource, payroll, benefits and budget information systems across state agencies with one consolidated system. The project is entitled the STAR (state transforming agency resources) project. The STAR Project team has recommended that optional benefit plans be standardized across state agencies through payroll deduction, and has requested GIB to consider this recommendation. At its November 18, 2014, meeting, GIB "approved a decision to have the GIB assume contracting responsibility with state optional insurance plan providers starting in 2016 and would require all executive branch agencies, as well as the University of Wisconsin System, the UW Hospital and Clinics Authority, and the State Courts system, to participate in the selected optional plans." While under current law individual state agencies may select which optional forms of insurance to participate in and offer to their employees (which have been approved by ETF), under the STAR project implementation the offered optional forms of insurance would be a uniform offering. The position provided in the bill would assist ETF in carrying out its new responsibilities under the recommended changes to the administration of optional forms of insurance.

Joint Finance: Delete provision.

6. CUSTOMER SERVICE STAFFING

	Funding	Positions
SEG	$112,700	1.00

Governor/Joint Finance: Provide $54,000 in 2015-16, and $58,700 in 2016-17, and 1.0 benefits specialist position annually to provide increased resources to the Department to: (a) answer phone calls received by the call center; (b) process beneficiary designation forms; (c) collect member email and verify member contact information to assist in the Department's information technology (IT) upgrade; and (d) provide basic IT assistance to members calling for help as to how to navigate the Department's website. Reduced funding in 2015-16 reflects nine months of funding for the position in the first year of the biennium.

7. RETIRED EMPLOYEES BENEFIT SUPPLEMENT REESTIMATE

GPR	- $54,600

Governor/Joint Finance: Reduce base level funding by $11,200 in 2015-16 and $43,400

in 2016-17 to reflect decreased amounts necessary to pay benefit supplements for retirees who first began receiving annuities before October 1, 1974. These supplements were authorized primarily by Chapter 337, Laws of 1973, 1983 Wisconsin Act 394, and 1997 Wisconsin Act 26. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. Current base level funding for the appropriation is $216,600 annually.

8. ASSIGNING PUBLIC EMPLOYEE BENEFITS FOR CHILD OR FAMILY SUPPORT

Governor/Joint Finance: Provide that public employee income continuation insurance benefits and duty disability benefits administered by ETF may be assigned to pay child or family support or maintenance, or to pay back any support arrearages. Specify that the changes would first apply to benefits paid on the day after publication of the bill.

The income continuation insurance program replaces up to 75% of an employee's salary if the employee is unable to work because of sickness or injury. State employees, as well as employees of those local governments that choose to offer this benefit, may participate in the program.

Under the duty disability program, a protective occupation participant is entitled to a duty disability benefit if the employee is injured while performing his or her duty or contracts a disease as a result of his or her occupation, and the disability is likely to be permanent. In addition, the disability must either: (a) cause the person to retire from his or her position; (b) cause a reduction in pay or position or result in assignment to light duty; or (c) adversely affect the employee's promotional opportunities. Protective occupation participants include law enforcement officers, firefighters, state probation and parole officers, members of the state patrol, state motor vehicle inspectors, forest rangers, conservation workers, fire marshals, and state correctional psychiatric officers. Both state employees, as well as employees of those local governments that choose to offer this benefit, may participate in the program. [For additional information see "Children and Families -- Child Support."]

9. POSITION TRANSFER

Governor/Joint Finance: Transfer 4.0 SEG classified positions and 3.0 SEG project positions annually and the associated funding of $632,900 SEG annually from the Department's SEG continuing automated operating system appropriation to the Department's SEG annual administration appropriation. Both appropriations are supported with administrative funding from the public employee trust fund. The transfer would consolidate all positions in the SEG annual administration appropriation.

10. GROUP INSURANCE BOARD TERM LENGTH

Governor: Provide that the six Group Insurance Board (GIB) members appointed by the Governor be appointed to four-year terms instead of the current two-year terms. Further, provide that of the six GIB members appointed by the Governor, that the following three members

appointed by the Governor would be appointed for two-year terms, expiring on May 1 of the next succeeding odd-numbered year (May 1, 2017), and their successors would then be appointed to regular four-year terms: (a) the insured participant in the Wisconsin Retirement System (WRS) who is not a teacher; (b) the insured participant in the WRS who is a teacher; and (c) the insured participant in the WRS who is a retired employee.

The eleven-member Group Insurance Board oversees the administration and the establishment of policies for the following four major insurance plans for state employees and certain local government employees: (a) group health insurance for state employees, state WRS annuitants, and employees of those local governments that choose to offer this benefit; (b) group income continuation insurance for state employees and employees of those local governments that choose to offer this benefit; (c) group life insurance benefits for state employees, state annuitants, and employees of those local governments that choose to offer this benefit; and (d) long-term care insurance for state employees and annuitants.

Five members of the Board serve ex officio as a result of the positions that they hold. These ex officio members are the Governor, the Attorney General, the Commissioner of Insurance, the Secretary of the Department of Administration, and the Director of the Office of State Employment Relations. Any of these ex officio members may appoint a designee to serve on the Board in his or her stead. The remaining six members of the Board are appointed by the Governor to two-year terms. The statutes require that at least five of the six appointees represent specific constituencies in order to ensure a diversity of views on the Board. At least one gubernatorial appointee must be an insured teacher who is a WRS participant, a second must be an insured nonteacher WRS participant, a third must be an insured local employee WRS participant, a fourth must be an insured retired WRS participant, and a fifth must be the chief executive or a member of the governing board of a local unit of government that is a participating employer in the WRS. There is no specific membership requirement for the sixth gubernatorial appointee to the Board.

Joint Finance: Delete provision as a non-fiscal policy item.

11. ANNUAL CHANGES TO THE STATE GROUP HEALTH INSURANCE PROGRAM

Joint Finance: Provide that the Group Insurance Board (GIB), in consultation with the Division of Personnel Management in DOA, must annually, by April 1, submit any proposed changes to the state group health insurance program to the Joint Committee on Employment Relations (JCOER). Specify that GIB may not implement any changes to the state group health insurance program unless approved by JCOER. Require JCOER to hold a public hearing on the proposed changes. Provide that annually, before May 1, JCOER must approve, disapprove, or approve with modifications the proposed changes and must notify the Governor of its actions. Within 10 calendar days of this notification, the Governor must approve or reject in its entirety the proposed changes approved by JCOER. Specify that a vote of six members of JCOER may override any rejection of the Governor.

Provide that notwithstanding the regular process identified above, GIB must submit

proposed changes to the state group health insurance program for the 2016 calendar year to JCOER. The Group Insurance Board must submit the proposed changes no later than 30 days after the effective date of the budget bill. The Group Insurance Board may not implement any changes to the state group health insurance program for the 2016 calendar year unless approved by JCOER. The Joint Committee on Employment Relations must hold a public hearing on the proposed changes. Specify that no later than 30 days after GIB submits the proposed changes to JCOER, JCOER must approve, disapprove, or approve with modifications the proposed changes and must notify the Governor of its actions. Within 10 calendar days of this notification, the Governor must approve or reject in its entirety the proposed changes approved by JCOER. Provide that a vote of six members of JCOER may override any rejection of the Governor.

The Joint Committee on Employment Relations is made up of the following eight members: (a) President of the Senate; (b) Senate Majority Leader; (c) Senate Minority Leader; (d) Senate Co-Chair of the Joint Committee on Finance; (e) Speaker of the Assembly; (f) Assembly Majority Leader; (g) Assembly Minority Leader; and (h) Assembly Co-Chair of the Joint Committee on Finance.

12. GROUP INSURANCE BOARD CHANGES

Joint Finance: Provide that the six members of the Group Insurance Board who are appointed by the Governor to two-year terms under current law, would now be appointed to the Board only with the advice and consent of the Senate. Provide that the terms of office of the current gubernatorial appointees to GIB would terminate on the effective date of the budget bill. Specify that the incumbent gubernatorial appointees to GIB could continue as Board members and exercise their powers and duties until a successor was appointed and qualified to assume the Board position. Further, expand the membership of GIB from 11 to 15 members and provide that the following be added as members of the Board: (a) one Representative appointed by the Speaker of the Assembly; (b) one Representative appointed by the Minority Leader of the Assembly; (c) one Senator appointed by the Majority Leader of the Senate; and (d) one Senator appointed by the Minority Leader of the Senate.

Under current law, the 11-member Group Insurance Board in the Department of Employee Trust Funds oversees the administration and the establishment of policies for four major insurance plans for state employees and certain local government employees. The four plans are: (a) group health insurance for Wisconsin Retirement System (WRS) annuitants, state employees and employees of those local governments that choose to offer this benefit; (b) group income continuation insurance for state employees and employees of those local governments that choose to offer this benefit; (c) group life insurance benefits for annuitants, state employees and employees of those local governments that choose to offer this benefit; and (d) long-term care insurance for annuitants and state employees. Five members of the Board serve ex officio as a result of the positions that they hold. These ex officio members are the Governor, the Attorney General, the Commissioner of Insurance, the Secretary of the Department of Administration, and the Director of the Office of State Employment Relations. Any of these ex officio members may appoint a designee to serve on the Board in his or her stead. The remaining six members of the Board are appointed by the Governor to two-year terms. The statutes require that at least five of the six appointees represent specific constituencies in order to ensure a diversity of views on the

Board. At least one gubernatorial appointee must be an insured teacher who is a WRS participant, a second must be an insured nonteacher WRS participant, a third must be an insured local employee WRS participant, a fourth must be an insured retired WRS participant, and a fifth must be the chief executive or a member of the governing body of a local unit of government that is a participating employer in the WRS. There is no specific requirement for the sixth gubernatorial appointee to the Board.

13. WISCONSIN RETIREMENT SYSTEM -- ELECTED OFFICIALS AND APPOINTED STATE EXECUTIVES

Joint Finance: Provide that the Employee Trust Fund Board may combine the state and local elected officials and state executives employee category and the general employee category under the Wisconsin Retirement System (WRS) for purposes of establishing annual employer and employee contribution rates to the WRS, if such a combination would be in the actuarial interest of the fund and would result in administrative efficiency. Specify that state and local elected officials and state executive employees who initially assume office or begin employment after December 31, 2016, would have a normal retirement date of 65 years of age.

The elected officials and appointed state executives category under the WRS includes legislators, constitutional officers, judges and local elected officials or persons appointed to fill an elected position. The category also includes state executive salary group (ESG) appointees. Under current law, these WRS participants have a normal retirement date of 62 years of age. General employees have a normal retirement date of 65 years of age. Normal retirement age refers to the age at which a participant may begin to receive an unrestricted regular retirement annuity under the WRS. Delaying the effective date of the normal retirement date change would permit ETF to incorporate this law change as a part of its upgrade and implementation of a new benefits administration system.

Both WRS general participants and elected official or state executive participants are required to make an employee contribution to the WRS in an amount equal to one-half of all actuarially-required contributions as approved by the Employee Trust Fund Board. Under the 2015 contribution rates, one-half of the general-participant rate is 6.8% of earnings, and one-half the executive/elected-official rate is 7.7%.

14. STAR PROJECT IMPLEMENTATION GROUP INSURANCE CHANGES

Joint Finance: Eliminate the requirement that executive branch state employees must be covered under the Wisconsin Retirement System for a period of at least six months in order to be eligible for group insurance benefits, other than health insurance.

Provide that state employees electing to receive health care coverage within 30 days of being hired, begin to receive this coverage on the first day of the month that first occurs during the 30-day election period, instead of receiving coverage effective on the first day of the month which begins on or after the date the employee's application for coverage is received by the employer. Further, provide that state employees electing to receive income continuation insurance within 30 days of initial eligibility, begin to receive this coverage on the first day of

the month that first occurs during this 30-day period, instead of receiving coverage effective on the first day of the month which begins on or after the date the employee's application for coverage is received by the employer.

Specify that state employees would now have 60 days, instead of the current 30 days, to elect income continuation coverage when initially eligible for a higher level of employer contribution towards the premium cost. For state employees other than teachers employed by the university, this coverage would be effective the following April 1. For teachers employed by the university, this coverage would be effective the first day of the month following the date of eligibility instead of the first day of the month following the date the employee's application for coverage is received by the employer.

The state is currently undertaking a project to replace various existing finance, procurement, human resource, payroll, benefits and budget information systems across state agencies with one consolidated system. The project is entitled the STAR (state transforming agency resources) project. The administration indicates that these requested group insurance changes would reduce the customization that will be required of PeopleSoft (the base information technology system for the STAR project). It is estimated that eliminating the six month waiting period for group life insurance coverage would increase state costs by $48,000 in 2015-16, and $96,000 in 2016-17 (all funds). These increased costs would be addressed by state agencies from base resources.

EMPLOYMENT RELATIONS COMMISSION

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,803,200	$2,765,100	$2,765,100	$0	0.0%	- $38,100	- 1.4%
PR	206,600	306,600	306,600	0	0.0	100,000	48.4
TOTAL	$3,009,800	$3,071,700	$3,071,700	$0	0.0%	$61,900	2.1%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	9.01	9.01	9.01	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $38,100

Governor/Joint Finance: Provide adjustments to the base budget totaling -$20,100 in 2015-16 and -$18,000 in 2016-17. Adjustments are for: (a) removal of noncontinuing elements from the base (-$20,000 annually in one-time financing); (b) full funding of continuing position salaries and fringe benefits (-$56,400 annually); and (c) full funding of lease and directed moves costs ($56,300 in 2015-16, and $58,400 in 2016-17).

2. COURT REPORTER AND TRANSCRIPT FEES

PR	$100,000

Governor/Joint Finance: Provide $50,000 annually to the Commission's PR annual fees, collective bargaining training, publications, and appeals appropriation to address the costs of court reporter fees and transcript production fees for state civil service appeal discharge hearings. The Commission estimates that it will hold 30 such hearings each year resulting in approximately $6,000 in court reporter fees and $45,000 in transcript fees.

3. PROGRAM REVENUE LAPSE [LFB Paper 275]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	$614,500	- $84,000	$530,500

Governor: Provide that at the end of the fiscal year any unencumbered balance in the Commission's PR annual fees, collective bargaining training, publications, and appeals appropriation that exceeds 10% of the expenditures from the appropriation in the fiscal year be lapsed to the general fund. Under the bill, it is estimated that lapses from the appropriation to the general fund would equal $517,800 in 2015-16 and $96,700 in 2016-17.

The affected appropriation is utilized by the Commission to address costs related to the performance of fact-finding, mediation, certification of collective bargaining representation, and arbitration functions, as well as for the costs of operating training programs, conducting appeals, and the preparation of publications, transcripts, reports, and other copied material. Fees assessed by the Commission to offset the costs of carrying out its responsibilities, as well as training program and publication sale revenue, are deposited to this appropriation. Under current law, any unencumbered balance in the appropriation at the end of the fiscal year remains in the appropriation, is available for future authorized expenditures, and does not lapse to the general fund.

Joint Finance: Provide that the lapse requirement apply for the 2015-17 biennium only. Based on a reestimate of expenditures from and revenue to the PR annual fees appropriation, decrease estimated GPR-REV by $59,000 in 2015-16, and by $25,000 in 2016-17.

4. GENERAL EMPLOYEE LABOR UNION RECOGNITION ELECTIONS

Joint Finance: Provide that state and local general employee unions seeking initial recognition to represent a collective bargaining unit would have to receive at least 51% of the votes of all of the employees in the collective bargaining unit in order to be initially certified to represent the collective bargaining unit.

Under current law, a general employee union already authorized to represent a collective bargaining unit must receive at least 51% of the votes of all of the general employees in the collective bargaining unit in order to be recertified to represent the collective bargaining unit for an additional year. General employee unions must win a recertification election every year in order to continue to be authorized to represent the collective bargaining unit. However, under current law, if a collective bargaining unit has been unrepresented, a general employee union must only win a majority of votes cast at the election in order to be initially recognized or certified to represent the collective bargaining unit.

5. HIGH-DEDUCTIBLE HEALTH PLAN ALTERNATIVE FOR LOCAL PROTECTIVE SERVICE EMPLOYEES

Joint Finance: Specify that if a local governmental unit offers health care insurance to employees who are police officers, fire fighters, or emergency medical technicians, the local governmental unit must also offer to the employees who are police officers, fire fighters, or emergency medical technicians, a high-deductible health plan (HDHP) that has identical design features to the HDHP offered to state employees.

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$77,649,000	$41,657,600	$41,657,600	$0	0.0%	- $35,991,400	- 46.4%
SEG	16,000,000	16,000,000	16,000,000	0	0.0	0	0.0
TOTAL	$93,649,000	$57,657,600	$57,657,600	$0	0.0%	- $35,991,400	- 38.4%
BR		$7,500,000	- $230,900,000				

FTE Position Summary

Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.

Budget Change Items

1. BONDING AUTHORITY [LFB Papers 280 and 281]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR-GO	$7,500,000	- $56,200,000	- $48,700,000
BR-REV	0	- 182,200,000	- 182,200,000
Total BR	$7,500,000	- $238,400,000	- $230,900,000

Governor: Provide an increase in general obligation bonding authority of $7,500,000 for the safe drinking water loan program within the environmental improvement fund. State general obligation bonds are issued to pay for the 20% state match to the federal capitalization grant for the safe drinking water loan program. No new bonding authority would be provided for the clean water fund program.

The clean water fund program provides low-interest loans to municipalities for planning,

designing, constructing or replacing a wastewater treatment facility, or for nonpoint source pollution abatement or urban stormwater runoff control projects. The safe drinking water loan program provides financial assistance to municipalities for the planning, design, construction, or modification of public water systems.

Joint Finance: Provide the following changes in bonding authority: (a) reduce clean water fund general obligation bonding authority by $54.1 million; (b) reduce clean water revenue obligation bonding authority by $182.2 million; and (c) reduce safe drinking water loan program general obligation bonding authority by $2.1 million. The bonding authority amounts are shown in the following table.

Environmental Improvement Fund (EIF) Bonding Authority

	Current	Governor	Jt. Finance	Total
Clean water fund program -- general obligation	$740,843,200	$0	-$54,100,000	$686,743,200
Safe drinking water loan program -- general obligation	60,200,000	7,500,000	-2,100,000	65,600,000
Subtotal General Obligation Bonding	$801,043,200	$7,500,000	-$56,200,000	$752,343,200
Clean water fund program -- revenue obligation	2,708,900,000	0	-182,200,000	2,526,700,000
Total Bonding Authority	$3,509,943,200	$7,500,000	-$238,400,000	$3,279,043,200

2. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- $35,991,400

Governor/Joint Finance: Decrease funding by $15,882,700 in 2015-16 and by $20,108,700 in 2016-17 to estimate GPR debt service costs on state general obligation bonds and commercial paper debt issued for the environmental improvement fund. This would include: (a) -$16,168,800 in 2015-16 and -$20,442,900 in 2016-17 for the clean water fund program; and (b) $286,100 in 2015-16 and $334,200 in 2016-17 for the safe drinking water loan program. Actual and estimated debt service payments from 2012-13 through 2016-17 are shown in the table. The administration indicates the GPR debt service reductions in the clean water fund will result from restructuring the loan portfolios. Clean water fund program general obligation bond debt service is also paid from a sum certain SEG appropriation that receives a portion of loan repayments from municipalities from loans that were originally provided from the proceeds of general obligation bonds. The land recycling loan program is funded from clean water fund loan repayments of loans that were originally made with the proceeds of federal grants, and does not have a separate general fund debt service cost.

Environmental Improvement Fund Debt Service Expenditures

	GPR Clean Water Fund Program	SEG Clean Water Fund Program	Safe Drinking Water Loan GPR	Total
2012-13 Actual	$34,302,000	$8,000,000	$4,446,000	$46,748,000
2013-14 Actual	32,347,800	8,000,000	5,139,700	45,487,500
2014-15 Base	33,590,500*	8,000,000	5,234,000	46,824,500
2015-16 Bill	17,421,700*	8,000,000	5,520,100	30,941,800
2016-17 Bill	13,147,600*	8,000,000	5,568,200	26,715,800

*The administration expects that use of program reserves or future program restructuring will result in an approximately $13 million reduction in 2014-15 GPR debt service costs (to $20.6 million), and in the GPR cost reductions reflected in the bill.

3. PROGRAM STRUCTURE CHANGES [LFB Paper 281]

Governor: Make the following changes in the structure of the environmental improvement program:

a. Eliminate the present value subsidy limit. Currently, the statutes provide a financial control mechanism for the clean water fund, safe drinking water loan, and land recycling loan programs called a "present value subsidy limit." This limit is a means for the Legislature to control the commitment of state financial assistance to municipalities in a biennium. The subsidy limit represents the estimated state cost, in today's dollars, to provide 20 years of state subsidy for the projects that would be funded in the biennium, that is, for the state to pay the difference between the actual low-interest state loan and a market rate loan. The 2013-15 biennial budget authorized a present value subsidy limit of $89.1 million for the environmental improvement program for the 2013-15 biennium, including: (1) $61.9 million for the clean water fund program; (2) $26.9 million for the safe drinking water loan program; and (3) $0.3 million for the land recycling loan program.

b. Repeal the definition and use of the term "subsidy." Specify that DOA would allocate "financial assistance" to projects instead of "subsidy." Subsidy is currently defined as the amounts provided from the environmental improvement fund to clean water fund, safe drinking water loan, and land recycling loan program projects for the following purposes: (1) to reduce the interest rate of project loans from the market rate to a subsidized rate; and (2) for the clean water fund program only, to provide for financial hardship assistance, including grants.

c. Specify that, under the clean water fund program, no municipality may receive more than 35.2% of the amount that DOA projects will be available to provide financial assistance for the biennium. This would replace the requirement that no municipality may receive more than 35.2% of the present value subsidy limit approved by the Legislature for the biennium.

d. Specify that, under the safe drinking water loan program, no municipality may receive more than 25% of the amount of financial assistance planned to be provided or committed for projects for the biennium. This would replace the requirement that no municipality may receive more than 25% of the present value subsidy limit approved by the

Legislature for the biennium.

e. Specify that the program may expend, for clean water fund financial hardship assistance, up to five percent of the amount available to provide financial assistance for projects, instead of up to five percent of the amount of present value subsidy limit approved by the Legislature.

f. Maintain the current definition of "market interest rate" as the effective interest rate on a fixed-rate revenue obligation issued by the state to fund a loan under the program. Create an additional method for DOA to calculate a market interest rate for purposes of determining the interest rate for financial assistance loans provided under the program. The additional method would authorize DOA to determine that there has been a significant change in interest rates after the fixed-rate revenue obligation has been issued or if a fixed-rate revenue obligation has not been issued by the state to fund a loan under the program, the effective interest rate that DOA determines would have been paid if a fixed-rate revenue obligation had been issued on the date financial assistance is allotted. Delete from the calculation of market interest rate, the current references to variable rates.

g. Maintain the requirement that projects financed under the clean water fund program pay an interest rate of 75% of the market interest rate (other than projects that meet financial hardship criteria), and that projects financed under the safe drinking water loan program pay an interest rate of 55% or 33% of market interest rate.

h. Specify that if DNR and DOA determine that the amount available to provide financial assistance for projects under the clean water fund program for a biennium is insufficient to provide funding for all projects for which applications will be approved during the biennium, a funding list and priority ranking will be established. Currently, the funding list and priority ranking would be implemented if DNR and DOA determine that the amount of present value subsidy approved by the Legislature is insufficient. (The priority ranking has not been used since before a continuous funding cycle was enacted in 1995 Act 27.) Specify that if the priority ranking and funding list is implemented, it would rank projects of municipalities that submit financial assistance applications no later than September 30 of the fiscal year, rather than the June 30 preceding the fiscal year currently.

i. Specify that the biennial finance plan submitted by DOA and DNR by October 1 of each even-numbered year to the Building Commission, Joint Committee on Finance, and appropriate legislative standing committees shall include the total amount that DOA projects will be available to provide financial assistance during the next biennium. This would replace the requirement for the two agencies to include the total amount of financial assistance planned to be provided or committed for projects during the biennium.

j. Delete the requirement that the report submitted by DOA and DNR by November 1 of each odd-numbered year to the Building Commission, Joint Committee on Finance, and appropriate legislative standing committees must report on the implementation of the present value subsidy limit. Maintain the requirement for the two agencies to report on the operations and activities of the clean water fund program, the safe drinking water loan program, and the land recycling loan program.

k. Specify that if a land recycling loan recipient sells a site or facility for which the recipient received a loan under the program, if the sale proceeds are greater than the cost of the land plus the cost of the cleanup, the recipient must repay to DOA an amount equal to the remaining loan balance plus the lesser of: (1) 75% of the amount by which the sale proceeds exceed the cost of the land plus the cost of the cleanup; or (2) the difference between the amount of interest paid on the loan and the amount of interest that would have been paid if the loan had been made at the market rate. Condition (2) would replace the current requirement related to repayment of the amount of subsidy incurred for the project.

Joint Finance: Approve the Governor's recommendation. In addition, increase the state subsidy for clean water fund projects by decreasing the municipal loan interest rate from 75% to 70% of the market interest rate. The change in the interest rate would first apply to projects for which financial assistance is allocated in the 2015-17 biennium.

4. CLEAN WATER FUND ELIGIBILITY FOR CONNECTION LATERALS [LFB Paper 282]

Governor: Expand eligibility for financial assistance under the clean water fund program to include connection laterals or sewer lines if water other than wastewater is entering the connection laterals or sewer lines from the ground or from above-ground sources and is being transported from a nonindustrial structure in a way that may interfere with compliance with a publicly owned treatment work's compliance with a Wisconsin Pollutant Discharge Elimination System (WPDES) permit. Laterals are the portion of the sanitary sewer system that conveys sewage from an individual residence or establishment to a public sewage collection system. Laterals are generally privately owned and maintained. Examples of the type of connection lateral that would become eligible under the provision include: (a) portions of the Milwaukee area and some other municipalities where stormwater drains are connected to laterals that subsequently transport wastewater and stormwater from homes or other buildings to sewer lines in the street, sometimes known as combined sewers; and (b) areas of infiltration and inflow of water other than wastewater into leaking laterals, such as exist in many older developments.

Under the bill, the newly eligible connection laterals or sewer lines would be eligible for a loan interest rate of 75% of the market rate if the project is: (a) a compliance maintenance project to prevent a significant violation of an effluent limitation by a municipal sewage treatment facility; or (b) needed to achieve compliance with a new or changed effluent limitation established after May 17, 1988, if the project is for a municipality that is not a violator of the specific limit that is changing. The newly eligible connection laterals or sewer lines would be eligible for an interest rate of 100% of the market rate if it is a project to plan, design, construct or replace treatment works that violate effluent limitations contained in an existing permit.

Joint Finance: Delete provision.

5. CLEAN WATER FUND ELIGIBILITY FOR UNSEWERED AREAS [LFB Paper 283]

Governor/Joint Finance: Expand eligibility for financial assistance under the clean water fund program to include projects in an unsewered municipality or an unsewered area of a municipality if DNR finds that at least two-thirds of the initial flow will be for wastewater originating from residences in existence for at least 20 years prior to the submission of the application to DNR for financial assistance. Currently, this type of unsewered area is eligible for financial assistance if two-thirds of the initial flow will be for wastewater originating from residences in existence on October 17, 1972. This provision would immediately expand eligibility for assistance at below market rates for municipal wastewater treatment facilities to certain unsewered communities constructed between 1972 and 1995.

6. SAFE DRINKING WATER LOAN ELIGIBILITY FOR CERTAIN PRIVATELY-OWNED SYSTEMS [LFB Paper 284]

Governor: Expand eligibility for financial assistance under the safe drinking water loan program to include private owners of a community water system or nonprofit noncommunity water system. A community water system is a public water system that serves at least 15 service connections used by year-round residents or that regularly serves at least 25 year-round residents. A noncommunity water system is a public water system that is not a community water system. A noncommunity water system is either: (a) a non-transient system which regularly serves at least 25 of the same persons over six months per year (including some schools, day care centers, and factories); and (b) a transient system which serves at least 25 persons per day at least 60 days out of the year (including some seasonal commercial establishments, restaurants, motels, and campgrounds).

Require that private owners of a community water system or nonprofit noncommunity water system would be required to: (a) demonstrate that there is adequate security for the repayment of the financial assistance; and (b) comply with the provisions of the federal Safe Drinking Water Act, state statutes, and the rules and regulations promulgated under the provisions that DNR specifies. [Local governments are currently required to comply with (b).] Private owners would not be required to comply with the following requirements that local governments are required to comply with under current law and the bill: (a) establish a dedicated source of revenue for the repayment of the financial assistance; (b) develop and adopt a water conservation program as required by DNR; (c) develop and adopt a program of systemwide operation and maintenance of the public water system, including the training of personnel, as required by DNR; and (d) develop and adopt a user fee system.

Joint Finance: Approve the Governor's recommendations to: (a) expand eligibility for financial assistance under the safe drinking water loan program to include private owners of a community water system for a municipality; and (b) require that the private owners demonstrate that there is adequate security for the repayment of the financial assistance, and comply with the provisions of the federal Safe Drinking Water Act, state statutes, and the rules and regulations promulgated under the provisions that DNR specifies. Delete the Governor's recommendation to

expand eligibility to other private owners of a community water system or nonprofit noncommunity water system. In addition, prohibit DNR and DOA from awarding principal forgiveness to private owners of a community water system that serves a municipality.

7. SAFE DRINKING WATER LOAN PROGRAM SERVICE FEE

Governor/Joint Finance: Authorize the Department of Natural Resources and Department of Administration to establish by rule, and jointly charge and collect service fees for safe drinking water loan program applications, which cover the estimated costs of reviewing and acting upon the application and servicing the financial assistance agreement. Deposit any fees collected under the provision in the environmental improvement fund. The clean water fund program is currently authorized to promulgate rules to charge and collect service fees, but does not do so. The land recycling loan program is required to collect an annual service fee equal to 0.5% of the loan balance, and has collected $547,100 between 1998 and 2014 related to nine financial assistance agreements that totaled $13.5 million. No estimate of revenues is included in the bill.

FINANCIAL INSTITUTIONS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$36,762,800	$9,313,800	$37,165,700	$27,851,900	299.0%	$402,900	1.1%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
PR	141.54	0.00	139.54	139.54	- 2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$491,800

Governor/Joint Finance: Adjust the agency's base budget for: (a) turnover reduction (-$270,900 annually); (b) full funding of continuing position salaries and fringe benefits ($940,600 annually); and (c) full funding of lease and directed moves costs (-$423,800 annually).

2. TRANSFER ALL DFI FUNCTIONS TO DFIPS

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
PR	- $27,851,900	- 121.54	$27,851,900	121.54	$0	0.00

Governor: Delete $9,313,500 in 2015-16 and $18,538,400 in 2016-17, and delete 123.54 positions in 2015-16 and 121.54 positions in 2016-17 to reflect the elimination of Department of Financial Institutions (DFI). Transfer all DFI functions, funding, and positions to the Department of Financial Institutions and Professional Standards (DFIPS), including assets and liabilities, positions and incumbent employees, tangible personal property, pending matters, contracts,

rules, orders, gifts, and grants. Specify that, these provisions would be effective on January 1, 2016, or the day after publication of the bill, whichever is later. Provide that, all positions and all incumbent employees in the classified service of the state civil service holding those positions in DFI, as determined by the Secretary of Administration, are transferred to DFIPS on January 1, 2016. Employees transferred under the provision would have the same rights and status in DFIPS that they enjoyed in DFI immediately before the transfer. Transferred employees who have attained permanent status would not be required to serve a probationary period.

Joint Finance: Delete provision.

3. MANDATORY ELECTRONIC FILING

	Funding	Positions
PR	- $88,900	- 2.00

Governor/Joint Finance: Delete $88,900 and 2.0 positions in 2016-17 from DFIs general program operations appropriation. It is anticipated that both deleted positions would be operations program associates which would become redundant due to efficiencies from requiring that all filings with DFI be made electronically.

Specify that, DFI may require any filing to be made electronically in a manner prescribed by the Department. If DFI requires that a filing be made electronically, it could require that any fee associated with the filing be paid using a suitable method prescribed by the Department. "Filing" would mean the submission to the Department of any form, instrument, application, report, notice, or other information required or permitted to be submitted to the Department for retention in its records.

Permit the Department to waive the electronic filing requirement if the person affected by the requirement requests a waiver and DFI determines, in its discretion, that the requirement would cause the person undue hardship. The request would have to be in writing, in a manner prescribed by DFI, and would have to clearly state why the requirement would cause undue hardship.

4. REDUCE ANNUAL TRANSFER OF REVENUES TO THE SECRETARY OF STATE [LFB Paper 580]

Governor/Joint Finance: Decrease the amount of funds transferred from DFI's general program operations appropriation to the Secretary of State's (SOS) program fees appropriation by $175,000, annually.

Under current law, an annual transfer of $325,000 is made from DFI's general program operations appropriation to the SOS's program fees appropriation. Under the Governor's proposal, this amount would be reduced to $150,000, annually.

5. ELIMINATE LONG-TERM VACANCIES [LFB Paper 290]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- 2.00	2.00	0.00

Governor: Delete 2.0 positions annually to reflect the elimination of long-term vacant positions under the bill. Position reductions are associated with positions that have been vacant for 12 months or more (1.0 Financial Examiner and 1.0 Operations Program Associate).

Joint Finance: Delete provision.

6. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- 5.00	5.00	0.00

Governor: Delete 5.0 positions from DFI's general program operations appropriation for a shared agency services pilot program under the Department of Administration (DOA). Funding associated with the positions ($320,700 PR annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

7. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- 11.00	11.00	0.00

Governor: Require that all information technology services for DFI be provided by the Department of Administration (DOA).

Delete 11.0 positions annually from DFI's general program operations appropriation to

transfer responsibility for all information technology services to DOA. Funding associated with the positions ($1,269,100 annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of DFI related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

8. GPR-EARNED REESTIMATE [LFB Paper 291]

GPR-REV	$5,600,000

Joint Finance: Reestimate the year-end lapse from DFI's general program operations appropriation at $70,125,000 in 2015-16 and at $70,005,300 in 2016-17. As compared to the bill, the reestimate is higher by $2,800,000 in each year. Under current law, DFI is funded with fees and assessments imposed on financial institutions and individuals the Department regulates. These funds are deposited as program revenue in DFI's general program operations appropriation. Any balance in this appropriation at the close of a fiscal year lapses to the general fund.

9. EXPAND PAYDAY LENDER AUTHORITY

Joint Finance: Expand the types of financial products and services a payday loan licensee may conduct, and permit others to conduct, to include: (a) the sale of insurance, annuities, and related products; (b) services commonly offered by a currency exchange; and (c) any financial or consumer finance services subject to regulation by statute or rule. Further, specify that a payday loan licensee may sell merchandise and conduct other business at the place of business specified in the payday loan license provided that the licensee holds any applicable license, permit, or other approval required by law to sell the merchandise or conduct the other business.

10. TRANSFER RAILROAD RECORDS FROM DFI TO OFFICE OF THE COMMISSIONER OF RAILROADS

Joint Finance: Transfer the non-uniform commercial code Wisconsin railroad records from DFI to the Office of the Commissioner of Railroads (OCR). Specify that every conveyance or lease, deed of trust, mortgage or satisfaction made by any railroad corporation be acknowledged, filed with and maintained with OCR and that OCR collect all fees associated with such filings.

FINANCIAL INSTITUTIONS AND PROFESSIONAL STANDARDS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
FED	$0	$701,100	$0	- $701,100	- 100.0%	$0	N.A.
PR	0	97,755,800	0	- 97,755,800	- 100.0	0	N.A.
TOTAL	$0	$98,456,900	$0	- $98,456,900	- 100.0%	$0	N.A.

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
FED	0.00	1.70	0.00	- 1.70	0.00
PR	0.00	324.40	0.00	- 324.40	0.00
TOTAL	0.00	326.10	0.00	- 326.10	0.00

Budget Change Items

1. CREATE DEPARTMENT OF FINANCIAL INSTITUTIONS AND PROFESSIONAL STANDARDS

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Funding	Jt. Finance (Chg. to Gov) Positions	Net Change Funding	Net Change Positions
PR	$97,755,800	324.40	- $97,755,800	- 324.40	$0	0.00
FED	701,100	1.70	- 701,100	- 1.70	0	0.00
Total	$98,456,900	326.10	- $98,456,900	- 326.10	$0	0.00

Governor: Provide $32,610,000 PR, $233,700 FED, 326.40 PR positions, and 1.70 FED positions in 2015-16 and $65,145,800 PR, $467,400 FED, 324.40 PR positions, and 1.70 FED positions in 2016-17 to create a Department of Financial Institutions and Professional Standards (DFIPS), effective on January 1, 2016 or the day after publication of the bill, whichever is later. The new agency would be responsible for all of the following:

a. The current functions of the Department of Safety and Professional Services, except for: (1) the private onsite wastewater treatment system grant program, which would be repealed, and the regulation of such systems, which would be transferred to the Department of Natural Resources; and (2) the regulation of veterinarians and veterinarian technicians and the Veterinary Examining Board, which would be transferred to the Department of Agriculture, Trade and Consumer Protection (DATCP).

b. All of the current functions of the Department of Financial Institutions.

c. The current functions of the Educational Approval Board, except for functions relating to consumer protection, which would be transferred to DATCP, and a number of functions related to the oversight of schools, courses, and the soliciting of students, which would be deleted.

d. The current responsibilities of the Department of Administration regarding the small business regulatory review board; the office of business development; and certification of disabled veteran-owned businesses, woman-owned businesses, and minority businesses for procurement purposes.

e. The current responsibilities of the Department of Health Services regarding the regulation of body piercing, tattooing, and tanning.

Provide that on January 1, 2016, or the day after publication of the bill, whichever is later, the assets and liabilities, positions and incumbent employees, tangible personal property, pending matters, contracts, rules and orders, and credential fees primarily related to the above agencies and programs would be transferred to DFIPS. Transferred employees would have the same rights and the same status in the new agency as they enjoyed in the existing agencies immediately before the transfer, and no transferred employee who has attained permanent status in class would be required to serve a probationary period.

The administration estimates that merging the existing agencies into DFIPS would result in reduced appropriations of $2,001,800 ($197,000 GPR, $1,674,300 PR, and $130,500 FED) in 2015-16 and $2,909,300 ($393,800 GPR, $2,254,900 PR and $260,600 FED) in 2016-17. Total positions would be reduced by 39.26 FTE per year (4.00 GPR, 31.06 PR, and 4.20 FED). Of the eliminated positions, 27.76 FTE have been vacant for at least six months.

The bill would create 27.0 unclassified positions in DFIPS, an increase of 3.0 over the number in the existing agencies.

Joint Finance: Delete provision.

2. DFIPS LAPSE REQUIREMENT

Governor: Specify that the 2013 Act 145 requirement that the Department of Financial Institutions and Professional Standards lapse $8,666,400 (representing the combined lapse amounts from the Department of Financial Institutions and the Department of Safety and Professional Services) to the general fund from the unencumbered balances of GPR and PR

appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

Joint Finance: Delete the proposal to create DFIPS. Instead, require the Department of Safety and Professional Services to lapse $6,232,000 in 2015-16 and 2016-17 and require the Department of Financial Institutions to lapse $2,434,400 in each of those years.

FORWARD WISCONSIN DEVELOPMENT AUTHORITY

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$80,374,700	$0	- $80,374,700	- 100.0%	$0	N.A.
SEG	0	22,776,000	0	- 22,776,000	- 100.0	0	N.A.
TOTAL	$0	$103,150,700	$0	- $103,150,700	- 100.0%	$0	N.A.

FTE Position Summary

As an Authority, there would be no state positions for the Forward Wisconsin Development Authority.

Budget Change Items

1. CREATE THE FORWARD WISCONSIN DEVELOPMENT AUTHORITY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$24,874,700	- $24,874,700	$0
SEG	22,776,000	- 22,776,000	0
Total	$47,650,700	- $47,650,700	$0

Governor: Merge programs of the Wisconsin Economic Development Corporation (WEDC) and the Wisconsin Housing and Economic Development Authority (WHEDA) into a new public body corporate and politic named the Forward Wisconsin Development Authority (FWDA). Specify the merger would take general effect on January 1, 2016, or the day after publication of the budget bill, whichever is later.

Programs and Program Funding. The bill would transfer to FWDA authority for all of WEDC's statutory programs, as well as all programs created under the Corporation's policies and procedures. WEDC offers a number of programs that provide tax credits, loans, grants and technical assistance to eligible Wisconsin companies. In addition, the bill would provide FWDA

grants from DOA in 2016-17 in the following amounts: (a) $24,874,700 GPR for general program operations related to economic development programs developed, implemented, and operated by the Authority; (b) $21,776,000 SEG from the economic development fund to fund and administer economic development programs; and (c) $1,000,000 SEG from the environmental fund for brownfield site assessment grants. WEDC would transfer the unencumbered balance in the Corporation's appropriations to FWDA on the effective date of the merger.

The bill would transfer to FWDA the statutory authority for the following WHEDA programs, which remain active or were recently active and have loans outstanding:

Housing Programs

- Homeownership mortgage loan program
- Housing rehabilitation loan program
- Property tax deferral loan program

Loan Guarantee Programs

- Small business development
- Agricultural production (known as the credit relief outreach program, or CROP)
- Drought relief agricultural production
- Agricultural development
- Farm asset reinvestment management (FARM)

The bill also would transfer statutory authority for the following temporary or inactive programs:

Housing Programs

- Veterans housing loans
- Qualified subprime refinance loans
- Homeownership eviction and lien protection (HELP)

Loan Guarantee Programs

- Emergency heating assistance
- Recycling
- Public affairs network
- Job training
- Drinking water

FWDA also would be required to continue allocating any year-end unencumbered general reserves, or "surplus," to housing programs. Under current law, WHEDA annually submits to the Governor and Legislature a plan, known as "Dividends for Wisconsin," for expending its unencumbered general reserves.

WHEDA reports other programs operated under its general authority, and not specifically created by statute, would be expected to continue. These include: (a) several programs for financing multifamily housing developments; (b) programs for assistance with down payments

and closing costs on the purchase of single-family residences under WHEDA lending programs; and (c) loan guarantee and other programs operated from WHEDA's general reserves or with federal funds.

The bill would specify that the assets and liabilities, tangible personal property, pending matters, contracts, and policies and procedures of WEDC and WHEDA would be transferred to FWDA on the merger's effective date. (The bill also would transfer incumbent employees of each entity to FWDA. Employment is discussed in a separate section.)

FWDA would have authority to issue bonds and notes to fund economic development and housing programs. Provisions regarding FWDA bonding authority generally would be those provisions under current law specified for WHEDA bond issues. Also, the bill would retain the Legislature's "moral obligation" on certain bonds. Under current law, the Legislature has declared its "expectation and aspiration" to provide funding sufficient to resolve any deficiencies that may result in bonds for which WHEDA has established a capital reserve. However, despite the expressed moral obligation, FWDA bonds would specifically not be liabilities of the State of Wisconsin.

Further, among these provisions are the presumption that bonds are issued under the Authority's general obligation, to be payable from any sources available to the Authority, unless the issue expressly states otherwise. Also, the Authority could, prior to issue, declare interest received on the bonds to be subject to federal income taxes.

Funds created by statute and administered by WHEDA under current law would be transferred to FWDA, including: (a) the Wisconsin Development Reserve Fund, which supports WHEDA guarantee programs for loans issued for agricultural and economic development; (b) the housing development fund, which is to be used to defray costs of developments providing housing for persons of low or moderate income; and (c) the housing rehabilitation loan program administration fund, which supports a program to provide loans for necessary upgrades or energy-efficiency improvements. The bill would retain the statutory authority for separate, but inactive, guarantee funds for the job training and drinking water loan guarantee programs. The state housing authority reserve fund, a segregated fund created in Chapter 25 of the statutes for supporting the housing rehabilitation loan program, generally would not be affected by the bill, although the fund is no longer actively used.

Governance and Executive Structure. The bill would place FWDA under the direction and supervision of a 12-person board consisting solely of persons employed in the private sector and nominated by the Governor with the advice and consent of the Senate. The Board would elect its chairperson. Seven members would constitute a quorum for purposes of conducting FWDA business and exercising FWDA's powers, and action could be taken upon the majority vote of a quorum. Initial members of FWDA's Board of Directors would be provisionally appointed by the Governor until withdrawn by the Governor or acted upon by the Senate and, if confirmed, would continue for the remainder of the unexpired term until a successor is chosen. If the Board were to have a vacancy, that vacancy would be filled in the same manner as the original appointment to the Board for the remainder of the unexpired term.

FWDA operations would be executed by a chief executive officer (CEO) nominated by the

Governor, approved by the Board, and confirmed under the advice and consent of the Senate. A chief operating officer (COO) would be appointed by the Governor and approved by the Board. (The Governor could provisionally appoint a CEO and a COO who would remain in effect until such time that such appointment would be withdrawn by the Governor or rejected by the Senate.) Both the CEO and COO would serve at the pleasure of the Governor. The Board would have authority to determine the compensation of the CEO and COO. The bill specifies that the Governor is to coordinate with the CEO as if the CEO were secretary of an executive branch agency. If the Governor were to withdraw a provisional appointee or the Senate were to reject a provisional appointee, a vacancy would exist on the Board. Board members would serve staggered four-year terms. The initial appointments would exist on the Board until the following member terms would expire: (a) three on January 1, 2017; (b) three on January 1, 2018; (c) three on January 1, 2019; and (d) the remaining members on January 1, 2020.

FWDA's Board of Directors would be required to submit a report to the Legislature detailing an organizational plan no later than 30 days following creation of the Authority. In addition, WHEDA and WEDC would have to seek to coordinate their activities and efforts to establish and organize FWDA.

Under the bill, the Legislative Fiscal Bureau and the Legislative Audit Bureau would be given access to any records and documents of the Authority.

The Board would be charged with developing and implementing economic development and housing programs and projects: (a) to provide business, housing and other support and expertise and assistance to persons that are investing or creating jobs in Wisconsin; (b) to support new business start-ups, business expansion and growth, and home ownership in Wisconsin; and (c) to provide single-family and multifamily housing to persons and families of low and moderate income in Wisconsin. The Board would have general authority to develop other economic development and housing programs in Wisconsin.

The Board would be provided with the following powers:

- To adopt, amend, and repeal any bylaws, policies, and procedures for the regulation of its affairs and the conduct of its business;

- To have a seal and alter it at pleasure;

- To maintain offices;

- To sue and be sued;

- To accept gifts, grants, loans or other contributions from private or public sources;

- To establish an annual budget and monitor the fiscal management of the Authority;

- To make equity investments and execute contracts, securities, mortgages and other instruments as required for operation of the Authority;

- To employ officers, agents and employees as required and determine their

qualifications, duties and compensation;

- To issue notes, bonds or other obligations;
- To make loans and provide grants;
- To incur debt;
- To procure liability insurance;
- To enter into agreements regarding compensation, space and other administrative matters as necessary to operate offices in other states or foreign countries, with such agreements subject to approval by the Secretary of Administration;
- To consent to conditions on federal financial assistance;
- To lease real or personal property and to accept federal funds for and participate in such federal housing programs as were enacted as of May 4, 1976, or at any future time, except the Authority may not accept, without the consent of the Governor, federal funds under federal housing programs enacted after May 8, 1982, if issuance of the Authority's bonds and notes is not required to participate in the program; and
- To establish and maintain a corporation organized under state law as a business corporation or a nonstock corporation.

All powers and duties assigned to FWDA would be exercised or carried out by the Board, unless the Board were to delegate the power or duty to an employee of the Authority or to a committee established by the Board. The Board could delegate any powers and duties the Board considers proper to FWDA's CEO and COO.

Employment. The bill specifies all WHEDA and WEDC employees become employees of FWDA on the effective date of the merger. Under current law, WHEDA and WEDC employees are considered state employees for purposes of Chapter 40 of the statutes (employee trust funds and employee benefits). As such, WHEDA and WEDC employees generally are eligible for similar benefits afforded to persons employed by state agencies, including participation in the Wisconsin Retirement System and eligibility for health insurance benefits administered by the Group Insurance Board for employees of state agencies. These provisions would not be affected by the bill.

Joint Finance: Delete provision.

2. REGIONAL REVOLVING LOAN FUND GRANT PROGRAM [LFB Paper 300]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$55,000,000	- $55,000,000	$0

Governor: Provide $55,000,000 in 2016-17 for grants to FWDA in the Authority's regional revolving loan fund grants appropriation to establish a regional revolving loan fund grant program. Require FWDA to establish policies and procedures relating to the program, including all of the following:

a. Grants must be awarded to multicounty regions in proportionate amounts based upon the percentage of the state population residing within each region;

b. Grants must be awarded only to regional organizations having sufficient private sector involvement, as determined by FWDA;

c. FWDA must approve the structure, regional investment strategy, and administrative guidelines of regional loan funds;

d. Each regional organization awarded a grant must, at a time determined by FWDA make a report to the Authority containing information required by FWDA; and

e. For each regional organization awarded a grant, FWDA may annually assess a fee as a percentage of the moneys managed to the extent necessary to reimburse the Authority for costs incurred for oversight and management.

These provisions would take effect on January 1, 2016.

Create a nonstatutory provision specifying that, in submitting its 2017-19 budget request, DOA must submit information concerning FWDA's regional revolving loan fund grants appropriation, as would be created by this bill, as though that appropriation had not been made.

Joint Finance: Delete provision.

3. GRANT FOR GLOBAL ENTREPRENEURSHIP COLLECTIVE, INC. [LFB Paper 703]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Provide $500,000 in 2016-17 for the purpose of making a one-time grant to Global Entrepreneurship Collective, Inc. (GEC), an organization that provides training and other assistance to veterans engaged in entrepreneurship. Require FWDA to make the grant in 2016-17. Specify that at least $300,000 of the grant must be to pay for costs associated with a start-up of a business located in Wisconsin that a veteran owns. Provide that these grants may only be made to veterans who are Wisconsin residents or to businesses owned by veterans who are state residents. Specify that up to $200,000 of the grant may be for entrepreneurial training and related services to veterans who are state residents. Specify that GEC may not expend any of the grant moneys after June 30, 2017, or a later date established by FWDA, and require GEC to pay any unexpended moneys to DOA Secretary, for deposit in the general fund.

Require GEC to submit to FWDA and to the Secretary of the Department of Veterans Affairs a report annually by March 1, until 2018, or one year following the sunset date established by the Authority. Require the report to include the following: (a) the most recent financial statement for GEC; (b) a detailed description of the criteria GEC used to determine who received a grant during the previous year; (c) a verified statement describing in detail grants GEC made to veterans' business start-up costs or veterans' entrepreneurial training during the previous year, which must be signed by an independent certified public accountant and the director or principal officer of GEC, so as to attest to the accuracy of the verified statement; and (d) a summary of all investments and grants of any kind that GEC made during the previous year.

Provide that, for each award GEC made during the previous year, the verified statement that GEC is required to include in its annual report must include the following information for each grant awarded: (a) the name and address of the grant recipient and the name and address of the start-up business; (b) the names and addresses of all of the start-up business's owners, including an identification of the business's owners who are veterans, and, if the grant recipient were a business other than the start-up business, the names and addresses of the grant recipient's owners, including an identification of the business's owners who are veterans; (c) the names and addresses of the start-up business's board of directors and key management employees and, if the grant recipient were a business other than the start-up business, the names and addresses of the grant recipient's board of directors and key management employees; (d) a description of the nature of the start-up business; (e) any information the grant recipient submitted to GEC to apply for the grant; (f) the amount of the grant and the date GEC awarded the grant; and (g) a statement of the number of employees the start-up business employed on January 1 of the previous year and the number of employees the start-up business employed on December 31 of the previous year.

Require FWDA, in submitting its budget request for the 2017-19 biennial budget, to subtract $500,000 from the base of the general program operations appropriation (so that the funding provided for making the grant is not part of the ongoing base of the appropriation).

The 2013-15 biennial budget act required the Department of Veterans Affairs to make a one-time grant to VETransfer, Inc. in 2013-14, with the same conditions as would apply to the grant made by the Authority to GEC under this item.

Joint Finance: Delete provision.

4. REMOVE JOINT COMMITTEE ON FINANCE OVERSIGHT WHEN CREATING A NONPROFIT FOUNDATION

Governor: Allow FWDA to establish a nonprofit organization without the approval of the Joint Committee on Finance (JFC). This provision would take effect on January 1, 2016, or on the day following publication of the budget bill, whichever is later.

Under current law, pursuant to 2013 Wisconsin Act 20, WEDC cannot establish a nonprofit organization without JFC approval. JFC may approve WEDC's establishment of a

nonprofit organization if the Corporation's CEO submits a request for approval to the Committee that describes, in detail, WEDC's proposal and the CEO appears at a meeting of JFC to consider the request. For purposes of these provisions, a nonprofit organization means any organization described under section 501(c)(3) of the Internal Revenue Code (IRC) that is exempt from federal income tax under IRC section 501(a). The bill would exempt FWDA from these provisions.

Joint Finance: Delete provision.

5. OPEN RECORDS REQUIREMENTS [LFB Paper 301]

Governor: Specify that FWDA documents and records, and records of any corporation established by the Authority, are considered public records under the state open records law, except the following: (a) records containing personally identifiable information; (b) information that would jeopardize an applicant's competitive position; or (c) records consisting of information on the In Force Network or other similar customer relationship management system maintained by FWDA, unless the information is published to the In Force Network or other system by the Authority or another economic development organization. (The In Force Network is an information-sharing service maintained by WEDC on which private entities can post or share certain information.)

The bill would generally apply WHEDA's open records requirements under current law to FWDA; the exception pertaining to the In Force Network would be newly created by the bill. Under current law, WEDC records are subject to open-records requirements except for those that pertain to pending activities and that contain information that must remain confidential to protect the competitive nature of the project. This provision would take effect on January 1, 2016, or on the day following publication of the bill, whichever is later.

Joint Finance: Delete provision.

6. GRANT AND LOAN RECIPIENT REPORTING REQUIREMENTS [LFB Paper 302]

Governor: Specify that FWDA require all of the following for each economic development program it develops and implements:

a. That each recipient of a grant or loan under the program submit, within 120 days after the end of the recipient's fiscal year in which any grant or loan funds were expended, or at a different time as provided in policies and procedures approved by the FWDA Board an attestation, signed by the director or principal officer of the recipient. The attestation would have to verify that the grant or loan funds and any matching cash or in-kind match were expended in accordance with the grant or loan contract.

b. That each recipient of a grant or loan under the program of at least $500,000 engage an independent certified public accountant (CPA) to perform procedures, approved by FWDA

and consistent with applicable professional standards of the American Institute of CPAs, to determine whether the grant or loan funds and any matching cash or in-kind match were expended in accordance with the grant or loan contract.

c. That each recipient make available for inspection the documents supporting the attestation submitted under "a".

d. That the contract with each grant or loan recipient must include the requirements listed above.

e. That FWDA, if a recipient of a grant or loan under the program submits false or misleading information or fails to comply with the terms of a contract entered into with the Authority, without providing satisfactory explanation for the noncompliance, do all of the following: (1) recoup payments made to the recipient; (2) withhold future payments to be made to the recipient; and (3) impose a financial penalty on the recipient.

The bill would also specify that the above requirements do not apply to a state department, an independent agency, an authority, or the University of Wisconsin System. These provisions would first apply to grant and loan contracts entered into on January 1, 2016, or on the day following publication of the bill, whichever is later.

Under current law, the WEDC Board must require for each program developed and implemented by the Board all of the following:

a. That each recipient of a grant or loan under the program of at least $100,000 submit, within 120 days after the end of the recipient's fiscal year in which any grant or loan funds were expended, a schedule of expenditures of the grant or loan funds, including expenditures of any matching cash or in-kind match, signed by the director or principal officer of the recipient to attest to the accuracy of the schedule of expenditures. The recipient must engage an independent CPA to perform procedures, approved by WEDC and consistent with applicable professional standards of the American Institute of CPAs, to determine whether the grant or loan funds and any matching cash or in-kind match were expended in accordance with the grant or loan contract. The Board must also require the recipient of such a grant or loan to make available for inspection the documents supporting the schedule of expenditures. The Board must include these requirements in the contract with grant or loan recipients.

b. That the Board, if a recipient of a grant or loan under the program submits false or misleading information or fails to comply with the terms of a contract entered into with WEDC without providing satisfactory explanation for the noncompliance, do all of the following: (1) recoup payments made to the recipient; (2) withhold future payments to be made to the recipient; and (3) impose a financial penalty on the recipient. This is the same as item "e" above.

Joint Finance: Delete provision.

7. NONDISCRIMINATION IN AUTHORITY PROGRAMS

Governor: Specify that FWDA would be subject to WHEDA's current standards for

nondiscrimination in its programs, and repeal requirements that WEDC include in its contracts a clause obligating the contractor not to discriminate against any employee or applicant for employment. This provision would take effect on January 1, 2016, or on the day following publication of the bill, whichever is later.

Under current law, WHEDA must require that : (a) occupancy of housing projects assisted by WHEDA financing are open to all regardless of sex, race, religion, creed, sexual orientation, or status as a victim of domestic abuse, sexual assault, or stalking, and (b) contractors and subcontractors engaged in the construction of economic development or housing projects shall provide an equal opportunity for employment, without discrimination as to sex, race, religion, sexual orientation or creed.

Also, under current law, WEDC is required to include the following statement in each contract executed by the Corporation:

"In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant because of age, race, religion, color, handicap, sex, physical condition, developmental disability, sexual orientation, or national origin. This provision must include, but not be limited to, the following: (a) employment, upgrading, demotion, or transfer; (b) recruitment or recruitment advertising; (c) layoff or termination; (d) rates of pay or other forms of compensation; and (e) selection for training, including apprenticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause."

State law includes certain provisions in which DOA can recommend procedures for the nondiscrimination and affirmative action provision described above, receive complaints and investigate those complaints as to whether a violation occurred, and direct the violating party to take immediate steps to prevent further violations. Current law also requires WEDC to take certain steps if such a violation occurs, and may terminate a project with a violating contractor. The provisions that apply to WEDC under current law would not apply to FWDA under the bill.

Joint Finance: Delete provision.

8. REPORTING ON BUSINESS WITH MINORITY- OR DISABLED-VETERAN-OWNED FIRMS

Governor: Require FWDA to report annually to the Department of Administration on contracts or business transactions with firms owned predominantly by minority group members or disabled veterans. The provision applies to WHEDA under current law for purchases from or other investment services provided by such firms. The application to FWDA would take effect beginning January 1, 2016, or the day following the bill's publication, whichever is later.

Joint Finance: Delete provision.

9. POSITION OPENING NOTIFICATION PROGRAM

Governor: Repeal the requirement that a state agency, the Wisconsin Health and Educational Facilities Authority (WHEFA) or WHEDA notify WEDC of any grant or loan made to a for-profit company. Under current law, a for-profit company that receives a grant or loan from a state agency, WHEFA or WHEDA is to notify the Department of Workforce Development (DWD) and a local workforce development board of any position that is related to state financial assistance provided the company and that is to be filled within one year of receiving assistance. A similar requirement applies to persons and companies participating in the industrial revenue bond (IRB) program administered by WEDC.

Also, under current law, WEDC is to monitor compliance with companies' reporting requirements. The bill would repeal this requirement. As such, under the bill, companies receiving IRBs or assistance under other programs would continue to be required to report to DWD position openings related to the assistance, and DWD would retain enforcement requirements held under current law. The bill would delete provisions related to WEDC's additional oversight of the requirements. The repeals would apply beginning January 1, 2016, or the day after the bill's publication, whichever is later.

Joint Finance: Delete provision.

10. BIENNIAL FINANCIAL AUDIT

Governor: Specify that, biennially, beginning in 2017, the Legislative Audit Bureau (LAB) must conduct a program evaluation audit of the economic development programs administered by FWDA that are funded by monies appropriated by the state. Under current law, the LAB must conduct, biennially (beginning in 2013), both a financial audit of WEDC and a program evaluation audit of the economic development programs administered by WEDC. FWDA would not be subject to a biennial financial audit under the bill. This provision would take effect on January 1, 2016, or on the day following publication of the bill, whichever is later.

Joint Finance: Delete provision.

11. ANNUAL REPORT TO LEGISLATURE

Governor: Specify that FWDA must submit an annual report by October 1 of each year to the chief clerk of each house of the Legislature, for distribution to the Legislature, identifying the economic development and housing programs and projects that the Authority intends to develop and implement during the current fiscal year. Under current law, WEDC is required to submit a similar prospective annual report (in the same manner as provided under the bill) by January 1 of each year. The bill would require that the annual report: (a) be due on October 1, rather than January 1; and (b) include plans identifying proposed housing programs and projects, in addition to economic development projects.

Also, under current law, WEDC and WHEDA must report to the Legislature on program

activity after the conclusion of each entity's fiscal year. The bill would repeal annual reporting requirements currently applied to WHEDA, and generally apply current WEDC year-end annual reporting requirements to FWDA. FWDA year-end reporting requirements, however, would not include year-end activity for housing programs. This provision would take effect on January 1, 2016, or on the day following publication of the bill, whichever is later.

Joint Finance: Delete provision.

12. DELETE REPORTING REQUIREMENT

Governor: Specify that FWDA would not be required to submit to the State of Wisconsin Investment Board (SWIB), no later than September 30 of each even-numbered year, a report describing the types of investments in businesses in this state that will have the greatest likelihood of enhancing economic development in the state. This provision would take effect on January 1, 2016, or on the day following publication of the budget bill, whichever is later. Under current law, WEDC is required to submit such a report to SWIB.

Joint Finance: Delete provision.

13. ASSISTANCE TO NEW AND SMALL BUSINESSES

Governor: Retain the current law requirement that WEDC assist new businesses and small businesses receiving the assistance of WHEDA in locating sources of venture capital and obtaining the state and federal licenses and permits necessary for business operations. The Legislative Reference Bureau indicates that this provision was intended to be repealed under the Governor's proposed merger to create FWDA. A technical amendment would be needed to accomplish the administration's intent.

Joint Finance: Maintain current law.

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
SEG	$250,800	$250,800	$250,800	$0	0.0%	$0	0.0%

FTE Position Summary

There are no state authorized positions for the Fox River Navigational System.

GENERAL FUND TAXES

1. GENERAL FUND TAX CHANGES

Governor: The following table shows the general fund tax changes recommended by the Governor, along with their estimated fiscal effects in the 2015-17 biennium. The table does not include tax law changes that are estimated to have a minimal fiscal effect. The table also does not include changes to refundable tax credits, because they are paid from appropriations rather than recorded as a reduction in tax revenues.

2015-17 General Fund Tax Changes -- Governor
(In Millions)

	2015-16	2016-17	2015-17 Biennium
Income and Franchise Taxes			
Add Auditors and Debt Collectors	$18.00	$59.00	$77.00
Limit Historic Rehabilitation Credit	0.00	7.80	7.80
Sunset Economic Development Credit*	2.25	7.50	9.75
General Sales and Use Tax			
Add Auditors and Debt Collectors	13.50	23.00	36.50
Delay Private Label Credit Card Law	10.70	11.10	21.80
Total Tax Changes	$44.45	$108.40	$152.85

*Under the bill, the economic development credit, which is not refundable, and the refundable jobs tax credit, would be sunset and replaced with a refundable business development tax credit for tax years beginning after December 31, 2015. As noted above, the impacts of refundable tax credits are not shown in the table, because they are accounted for as state expenditures rather than revenue offsets.

Joint Finance: The following table shows the estimated fiscal effects of the tax law changes adopted by the Joint Committee on Finance.

2015-17 General Fund Tax Changes -- Joint Finance
(In Millions)

	2015-16	2016-17	2015-17 Biennium
Income and Franchise Taxes			
Add Auditors and Debt Collectors	$18.00	$59.00	$77.00
Limit Historic Rehabilitation Credit	-0.50	-0.50	-1.00
Sunset Economic Development Credit	2.25	7.50	9.75
Federalize Minimum Tax Exemptions	0.00	-6.00	-6.00
Standard Deduction for Married Filers	0.00	-20.90	-20.90
Decrease Manufacturing and Agriculture Credit in 2015	16.80	0.00	16.80
Repeal Exclusion for Job Creation	2.70	2.70	5.40
ABLE Accounts	-0.31	-0.70	-1.01
Edvest Changes	-0.20	-0.90	-1.10
Deduction for Teachers' Expenses	-1.10	-1.10	-2.20
Sales and Excise Taxes			
Add Auditors and Debt Collectors	13.50	23.00	36.50
Delay Private Label Credit Card Law	10.70	11.10	21.80
Exemption for Construction Materials	-3.50	-7.50	-11.00
Exemption for Amusement Devices	-0.10	-0.20	-0.30
Exemption for Deer	-0.07	-0.14	-0.21
Impose Wine tax on Pear Cider	-0.13	-0.25	-0.38
Increase Cigarette Tax Discount	-0.50	-0.60	-1.10
Total Tax Changes	$57.55	$64.51	$122.06

The next table presents a comparative summary of the general fund tax changes recommended by the Governor and the Joint Committee on Finance. The table shows the proposals' estimated biennial fiscal effects.

	Governor	Joint Finance	Change to Governor
Income and Franchise Taxes			
Add Auditors and Debt Collectors	$77.00	$77.00	$0.00
Limit Historic Rehabilitation Credit	7.80	-1.00	-8.80
Sunset Economic Development Credit	9.75	9.75	0.00
Federalize Minimum Tax Exemptions	0.00	-6.00	-6.00
Standard Deduction for Married Filers	0.00	-20.90	-20.90
Decrease Manufacturing and Agriculture Credit in 2015	0.00	16.80	16.80
Repeal Exclusion for Job Creation	0.00	5.40	5.40
ABLE Accounts	0.00	-1.01	-1.01
Edvest Changes	0.00	-1.10	-1.10
Deduction for Teachers' Expenses	0.00	-2.20	-2.20
Sales and Excise Taxes			
Add Auditors and Debt Collectors	36.50	36.50	0.00
Delay Private Lable Credit Card Law	21.80	21.80	0.00
Exemption for Construction Materials	0.00	-11.00	-11.00
Exemption for Amusement Devices	0.00	-0.30	-0.30
Exemption for Deer	0.00	-0.21	-0.21
Impose Wine tax on Pear Cider	0.00	-0.38	-0.38
Increase Cigarette Tax Discount	0.00	-1.10	-1.10
Total Tax Changes	$152.85	$122.06	-$30.80

Income and Franchise Taxes

1. EARNED INCOME TAX CREDIT [LFB Papers 215 and 313]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,110,000	- $16,310,000	- $14,200,000
PR	0	12,300,000	12,300,000
Total	$2,110,000	- $4,010,000	- $1,900,000

Governor: Decrease GPR funding for the earned income tax credit (EITC) by $320,000 in 2015-16 and increase GPR funding by $2,430,000 in 2016-17. With these adjustments, base level GPR funding of $44,100,000 would decrease to $43,780,000 in 2015-16 and increase to $46,530,000 in 2016-17. Base level PR funding would remain unchanged at $62,500,000 annually. The state credit is calculated as a percentage of the federal EITC, and is funded with a combination of GPR and PR funding. The program revenue is federal temporary assistance for needy families (TANF) funding transferred from the Department of Children and Families. The GPR portion is provided through a sum sufficient appropriation and covers the balance of the cost of the credit. Under the bill, total funding for the EITC would decrease to $106,280,000 in 2015-16 and increase to $109,030,000, compared to base funding of $106,600,000.

Joint Finance: Set funding amounts for the EITC at $36,400,000 GPR and $67,600,000 PR in 2015-16 and $37,600,000 GPR and $69,700,000 PR in 2016-17 to reflect an increase in the amount of TANF revenue used for the credit and a revised estimate of the total cost of the credit. Estimate total expenditures for the credit at $104,000,000 in 2015-16 and $107,300,000 in 2016-17. Compared to the Governor, PR funding would be increased by $5,100,000 in 2015-16 and $7,200,000 in 2016-17, and GPR funding would be decreased by $7,380,000 in 2015-16 and $8,930,000 in 2016-17.

2. VETERANS AND SURVIVING SPOUSES PROPERTY TAX CREDIT [LFB Paper 310]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,140,000	- $5,400,000	- $6,540,000

Governor: Decrease funding by $770,000 in 2015-16 and $370,000 in 2016-17 for the refundable veterans and surviving spouses property tax credit. With these adjustments, base funding of $32,370,000 would be decreased to $31,600,000 in 2015-16 and $32,000,000 in 2016-17. The credit is equal to real and personal property taxes paid on a principal dwelling by certain veterans and surviving spouses.

Joint Finance: Reestimate the cost of the tax credit at $28,400,000 in 2015-16 and $29,800,000 in 2016-17. Compared to the Governor's bill, decrease estimated expenditures by $3,200,000 in 2015-16 and $2,200,000 in 2016-17.

3. ILLINOIS-WISCONSIN RECIPROCITY [LFB Paper 311]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $4,319,000	- $11,981,000	- $16,300,000

Governor: Decrease the estimated payment by $5,119,000 in 2015-16 and increase the estimated payment by $800,000 in 2016-17 under the Illinois-Wisconsin individual income tax reciprocity agreement. Payments are estimated, compared to the base funding level of $78,800,000, at $73,681,000 in 2015-16 and $79,600,000 in 2016-17.

Joint Finance: Increase the estimated payment by $5,119,000 in 2015-16 and decrease the estimated payment by $17,100,000 in 2016-17. Estimate the payment at $78,800,000 in 2015-16 and $62,500,000 in 2016-17.

4. INCREASE STANDARD DEDUCTION FOR MARRIED FILERS

GPR-Tax - $20,900,000

Joint Finance: Set the standard deduction for tax year 2016 at $19,010 for married couples filing jointly and at $9,030 for married individuals filing separately. Set the income level at which the standard deduction begins to phase out for tax year 2016 at $21,360 for married couples filing jointly and at $10,140 for married individuals filing separately. Decrease individual income tax collections by an estimated $20,900,000 in 2016-17. Because the standard deduction for each tax year is indexed for inflation based on the consumer price index for August of the year preceding the tax year, standard deduction amounts for tax year 2016 are unknown at this time. Based on the current economic forecast, the 2016 standard deduction for married-joint filers is estimated at $18,460, with the deduction phasing out between adjusted gross incomes of $20,740 and $114,076. For the same year, the standard deduction for married-separate filers is estimated at $8,770, with the deduction phasing out between adjusted gross incomes of $9,850 and $54,192. Under this provision, the deduction for married-joint filers would increase by an estimated $550 and be set at $19,010 in 2016, and the deduction would phase out between adjusted gross incomes of $21,360 and $117,477. For married-separate filers, the deduction would increase by an estimated $260 and be set at $9,030, and the deduction would phase out between adjusted gross incomes of $10,140 and $55,797.

5. ALTERNATIVE MINIMUM TAX [LFB Paper 316]

GPR-Tax - $6,000,000

Joint Finance: Federalize the treatment of exemption amounts and exemption phaseout provisions for the Wisconsin alternative minimum tax, beginning in tax year 2017, so that future tax years reflect federal indexing adjustments for inflation as well as subsequent law changes to

the Internal Revenue Code. Decrease individual income tax collections by an estimated $6,000,000 in 2016-17, $25,400,000 in 2017-18, and $29,900,000 in 2018-19.

6. DEDUCTION FOR TEACHERS' PURCHASES OF SCHOOL SUPPLIES

GPR-Tax - $2,200,000

Joint Finance: Federalize the state tax treatment of educators' classroom expenses, effective with tax year 2015. Decrease individual income tax collections by $1,100,000 both in 2015-16 and 2016-17. This estimate assumes the federal deduction is extended, although it expired after tax year 2014. The federal deduction was enacted on a temporary basis, but has been extended on a number of occasions and has applied in every tax year since 2002. For federal income tax purposes, elementary and secondary school teachers have been able to claim a deduction of up to $250 per year for classroom expenses they incur.

7. COLLEGE SAVINGS PLAN MODIFICATIONS

GPR-Tax - $1,100,000

Joint Finance: Modify current law provisions concerning the College Savings (529) Program as follows:

Amounts Subject to Tax Under the State Individual Income Tax. Modify the current law provision that designates certain distributions from college savings accounts as subject to tax under the state individual income tax, that is, the amounts are "added back" to income, as follows: (a) specify that the add-back for amounts not used for qualified expenses is limited to amounts previously deducted; and (b) create an add-back for any amount withdrawn from an account within 12 months of its contribution, if the amount was previously deducted.

Amounts Not Subject to Tax Under the State Individual Income Tax. Modify the current law provision that designates certain contributions to college savings accounts as deductions from income under the state individual income tax as follows: (a) prohibit amounts that have been previously deducted from being deducted again; (b) allow the principal amount, as opposed to earnings, in accounts rolled over into Wisconsin 529 accounts from other states' 529 accounts to be deducted, subject to annual contribution limits; (c) prohibit the carryover of excess contributions if the contribution has been withdrawn from an account within 12 months of its contribution; and (d) specify that any amount carried forward must be reduced by any amount that was withdrawn and not used for qualified educational expenses to the extent that the withdrawn amount exceeds the amount included in the add-back described above.

Extend the preceding provisions beginning in tax year 2015, and decrease individual income tax collections by an estimated $200,000 in 2015-16 and $900,000 in 2016-17. Other provisions increasing and indexing the limits on contributions to the account(s) of each beneficiary and providing additional program resources are described under "Administration -- General Agency Provisions."

8. QUALIFIED ABLE ACCOUNTS [LFB Paper 314]

GPR-Tax - $1,010,000

Joint Finance: Include IRC references to the provision enacted as part of P.L. 113-295,

allowing individuals to create Achieving a Better Life (ABLE) accounts on a tax preferred basis. In addition, incorporate provisions that authorize individuals to establish and own qualified ABLE accounts, as defined under federal law, at financial institutions to pay the qualified disability expenses of the beneficiaries of the accounts. Authorize the account owner, defined as the individual who establishes and owns the account and is the beneficiary of the account or a parent or guardian of the beneficiary, provided the beneficiary is a minor or otherwise incapable of handling his or her affairs, to change the beneficiary of the account to a family member, as defined under federal law, of the previous beneficiary if the new beneficiary is an eligible individual and to terminate the account upon the death of the beneficiary if the account owner is not the beneficiary and the account owner is unable to change the beneficiary. Define beneficiary as an eligible individual, as defined under federal law, for whom an account is established.

Specify that an individual may not be a beneficiary of more than one ABLE account. Limit the total amount of annual contributions to an individual account for a particular beneficiary to the limitation under federal law for gifts (currently $14,000) and limit the total amount of all annual contributions to an account for a particular beneficiary to the limitation on individual Edvest accounts (currently $330,000). Require financial institutions managing ABLE accounts to return contributions that would cause accounts to exceed either limitation to the prospective contributor, and require financial institutions to prorate the amounts returned if more than one contribution arrives at the institution on the same day and in combination would result in either limitation being exceeded. Define financial institution as any bank, savings bank, savings and loan association, or credit union that is authorized do business under state or federal laws relating to financial institutions.

Specify that an ABLE account terminates on the death of a beneficiary who is the account owner and that amounts remaining in the account are recoverable by the state under current law provisions pertaining to medical assistance, long-term community support services, or aid for the treatment of kidney disease, cystic fibrosis, or hemophilia and that any remaining amounts be paid to the account owner's estate. Limit the amounts subject to state recovery to public assistance received by the beneficiary on or after the establishment of the ABLE account.

Require the financial institution managing the account to pay any qualified expenses, defined as qualified disability expenses as defined under federal law, provided the expenses are incurred by the beneficiary and the account possesses sufficient funds to make the payment. Require persons determining eligibility for long-term care programs, family care benefits, or the family care partnership program, all as defined under state law, or for any other demonstration program or programs operated under a waiver of federal Medicaid law that provides long-term care benefits to exclude assets accumulated in an ABLE account from the determination of income. Require the Department of Administration to ensure that accounts established under the preceding provisions meet the requirements of a qualified ABLE program under federal law and to promulgate rules to implement and administer the program.

Specify that amounts deposited in ABLE accounts by the account owner or other individuals may be deducted from federal adjusted gross income and are not subject to taxation under the state individual income tax, and exclude any interest, dividends, or other gain that accrues in an ABLE account and are redeposited in the account from taxation under the state individual income tax.

Specify that amounts withdrawn from accounts are subject to taxation under the state individual income tax if the withdrawal is for any reason other than the payment of qualified expenses. Specify that any amount in an account that is returned to an account owner or an account owner's estate upon the termination of an account is subject to taxation under the state individual income tax. Exclude amounts withdrawn from ABLE accounts and used to pay unreimbursed expenses from the calculation of the itemized deduction credit under the state individual income tax to the extent that the amounts were included in the deduction for unreimbursed medical expenses for federal tax purposes.

Extend these provisions beginning in tax year 2015, except that if the general effective date of the biennial budget act is after July 31, extend the provisions beginning in tax year 2016.

Reduce individual income tax collections by an estimated $310,000 in 2015-16 and $700,000 in 2016-17.

9. ELIMINATE EXCLUSION FOR ATV CORRIDORS

Joint Finance: Repeal the current law provision that provides an exclusion from income for payments received by landowners as incentive for permitting public all-terrain vehicle corridors on their land under the state individual income tax, effective in tax year 2015. This provision is estimated to increase individual income tax collections by minimal amounts each year.

10. MINNESOTA-WISCONSIN RECIPROCITY [LFB Paper 312**]**

Joint Finance: Prohibit any new income tax reciprocity agreement from taking effect unless the agreement is approved by the Joint Committee on Finance under the procedures authorized in s. 13.101 of the statutes. This prohibition would not apply to the agreements currently in effect with Kentucky, Illinois, Michigan, or Indiana.

11. RELAX INCOME TAX CHECK-OFF LIMITS

Joint Finance: Modify the current law provision that eliminates any income tax check-off from tax forms that does not generate at least $75,000 in contributions in the previous tax year, beginning in tax year 2015, by basing the threshold on the three-year average of contributions and by lowering the threshold to $50,000, beginning with contributions made in tax year 2014.

12. INTERNAL REVENUE CODE UPDATE [LFB Paper 314]

Governor: Update statutory references to the Internal Revenue Code (IRC) under the state individual and corporate income and franchise taxes. For tax years beginning after December 31, 2013, create provisions adopting IRC provisions in effect as of December 31, 2013, with exceptions. Also, for tax years beginning after December 31, 2013, adopt IRC provisions included in the following public laws that were enacted after December 31, 2013: (a) P.L. 113-97, the Cooperative and Small Employer Charity Pension Flexibility Act; (b) P.L. 113-

159, the Highway and Transportation Funding Act of 2014; and (c) P.L. 113-168, the Tribal General Welfare Exclusion Act of 2014. Specify that the provisions of federal public laws that directly or indirectly affect the IRC apply for state tax purposes at the same time as for federal tax purposes. Modify provisions relating to tax years beginning before January 1, 2014, to include IRC modifications made in P.L. 113-168, and repeal obsolete provisions pertaining to tax years beginning after December 31, 2002, and before January 1, 2004.

P.L. 113-97 pertains to a definition, rules, and funding standards for cooperative and small employer charity pension plans. P.L. 113-159 pertains to minimum funding requirements for single-employer defined benefit pension plans. P.L. 113-168 clarifies the treatment of general welfare benefits provided by Indian tribes. Under the budget bill, the P.L. 113-168 provisions would extend to tax years beginning after December 31, 2013, and would also apply to tax years 2009 through 2013. The provisions would be made retroactive because they clarify current law treatment.

For state tax purposes, the Wisconsin statutes currently adopt IRC provisions enacted through December 31, 2010. The bill would adopt IRC provisions enacted in 2011, 2012, and 2013, with exceptions. Over those three years, 16 public laws containing IRC provisions were enacted, and the bill would adopt most of those changes. The bill would not adopt one section of P.L. 112-95, the FAA Modernization and Reform Act of 2012, and eight sections of P.L. 112-240, the American Taxpayer Relief Act of 2012. As noted above, the bill would also include references to three of the five public laws enacted in 2014 containing IRC provisions, but would not include references to P.L. 113-92, the Philippines Charitable Giving Assistance Act, and P.L. 113-295, the Tax Increase Prevention Act of 2014. While the former is expected to have limited significance to Wisconsin taxpayers, the latter contains numerous provisions affecting Wisconsin taxpayers. However, a number of those provisions are scheduled to sunset after the 2014 tax year, including one-year extensions for 50% bonus depreciation and Section 179 expenses.

Under a 2013 Act 20 change, the state tax treatment of depreciation refers to IRC provisions in effect on January 1, 2014. Therefore, even though P.L. 113-295 extended bonus depreciation for an additional year, bonus depreciation is not available for state tax purposes in tax year 2014. However, federal and state tax treatment will be the same for most property in tax year 2015, unless Congress extends bonus depreciation again. Under a separate Act 20 change, state taxpayers are generally subject to current Section 179 IRC provisions. For federal and Wisconsin tax purposes in tax year 2014, Wisconsin taxpayers may elect to deduct up to $500,000 of the cost of qualifying property, rather than taking depreciation over a specified recovery period. Also, the deduction for a claimant is subject to a total investment limit of $2 million for property placed in service in a single tax year. Beginning in tax year 2015, the deduction limit for federal and Wisconsin tax purposes will fall from $500,000 to $25,000 and the total investment limit will fall from $2 million to $200,000. However, any future federal law changes to the Section 179 deduction will automatically be adopted under state law.

The Department of Revenue (DOR) indicates that the pension provisions in P.L. 113-97 and P.L. 113--159 would have a minimal fiscal effect (less than $1,000). No fiscal estimate is reported relative to the other provisions that would be adopted.

Joint Finance: Modify the Governor's recommendation by including IRC references to

the following provisions enacted in December, 2014: (a) two P.L. 113-295 provisions that correct technical errors and eliminate obsolete provisions in the IRC; (b) two P.L. 113-295 provisions relating to the treatment of multiemployer pension plans that are either experiencing funding shortfalls or are underfunded; (c) the P.L. 113-295 provision relating to the definition of qualified tuition programs and limiting contributors and designated beneficiaries from directing investments to no more than two times per calendar year; (d) the P.L. 113-295 provision that excludes dividends received by a U.S. shareholder from a controlled foreign corporation from the definition of personal holding company income for purposes of the related rules; and (e) the P.L. 113-287 provisions regarding the taxability of certain National Park Service grants to individuals and small businesses.

13. ENTERPRISE ZONE TAX CREDIT SUM SUFFICIENT REESTIMATE [LFB Paper 318]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $10,600,000	$13,800,000	$3,200,000

Governor: Decrease funding by $700,000 in 2015-16 and $9,900,000 in 2016-17 for the sum sufficient appropriation for enterprise zone tax credits to reestimate claims during the biennium. The reestimate reflects projections of credit claims for major economic development projects for which the Wisconsin Economic Development Corporation (WEDC) has, to date, awarded tax credits. With the adjustments, estimated total funding would decrease from $51,200,000, annually, to $50,500,000 in 2015-16 and $41,300,000 in 2016-17. Businesses that operate in enterprise zones established by WEDC can claim refundable tax credits for jobs created and retained, training, capital expenditures, and purchases from Wisconsin vendors.

Joint Finance: Reestimate the sum sufficient appropriation for enterprise zone jobs credits at $52,500,000 in 2015-16 and $53,100,000 in 2016-17. Compared to the Governor's bill, the reestimate would increase the appropriation by $2,000,000 in 2015-16 and by $11,800,000 in 2016-17.

14. INCREASE THE NUMBER OF ENTERPRISE ZONES [LFB Paper 327]

Governor/Joint Finance: Increase the number of enterprise zones that WEDC may designate from 20 to 30. Under current law, WEDC may designate certain areas as enterprise zones based on criteria specified in state law and the Corporation's policies. The administration indicates that this provision would not have a fiscal effect in the 2015-17 biennium, but would increase estimated expenditures from the sum sufficient enterprise zone jobs credit appropriation by $12.1 million in 2017-18, $16.9 million in 2018-19, $24.1 in 2019-20 through 2023-24, $21.7 million in 2024-25, $14.5 million in 2025-26, $7.2 million in 2026-27, and $0 in 2027-28 and annually thereafter.

15. CONVERT JOBS TAX CREDIT APPROPRIATION TO SUM SUFFICIENT [LFB Paper 317]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Lapse	$0	$22,000,000	$22,000,000

Governor: Convert the jobs tax credit appropriation, which makes payments of refundable jobs tax credits to eligible claimants, from a continuing appropriation to a sum sufficient appropriation. The administration does not expect this change to have a significant fiscal impact.

Joint Finance: Increase the estimated amount lapsed to the general fund in 2015-16 by $22,000,000. Under the state's accounting system, the balance carried forward from one fiscal year to the following fiscal year in a continuing GPR appropriation is set aside for the appropriation's designated use and is not available for other uses. According to the State Comptroller's Office, converting a continuing GPR appropriation to a sum sufficient appropriation would lapse the carryover authority to the general fund. Net of estimated 2014-15 expenditures, the balance on July 1, 2015, for the jobs tax credit appropriation is estimated at $22,000,000, on which date those monies would become available in the general fund.

16. JOBS TAX CREDIT REESTIMATE [LFB Paper 317]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $2,000,000	- $2,600,000	- $4,600,000

Governor: Decrease funding by $1,000,000, annually, for the jobs tax credit appropriation to reestimate tax credit claims during the biennium. With the adjustment, total annual funding would decrease from $18,000,000 to $17,000,000. This amount assumes that WEDC will allocate all of the $10 million of jobs credits allowed by statute and that $7 million of unused angel and early-stage seed tax credits will be reallocated to the jobs credit in each year. The jobs tax credit equals 10% of the wages paid to an eligible employee and/or the amount of costs incurred to undertake training activities in the year.

Joint Finance: Reestimate the amount of GPR funding necessary to pay for the jobs tax credit at $13,600,000 in 2015-16 and $17,800,000 in 2016-17. Compared to the Governor's bill, the reestimate would reduce the amount in the appropriation by $3,400,000 in 2015-16 and increase the amount in the appropriation by $800,000 in 2016-17.

17. CONSOLIDATE CREDITS UNDER CURRENT LAW INTO THE BUSINESS DEVELOPMENT CREDIT [LFB Papers 327 and 328]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$1,750,000	$1,750,000
GPR-Tax	$9,750,000	$0	$9,750,000

Governor: Sunset the nonrefundable economic development tax credit and the refundable jobs tax credit for taxable years beginning after December 31, 2015. Create the refundable business development tax credit for taxable years beginning in 2016. Specify that the business development tax credit may be used against the individual income tax, including the alternative minimum tax, and the corporate income/franchise tax. According to the administration, repealing the jobs tax credit would reduce GPR expenditures by $2,500,000 in 2016-17 and $10,000,000 in 2017-18 and annually thereafter. Creation of the business development credit is estimated to increase GPR expenditures by $2,500,000 in 2016-17 and $10,000,000 in 2017-18 and annually thereafter. The administration indicates that the sunset of the economic development credit would increase state tax revenues by an estimated $2,250,000 in 2015-16, and $7,500,000 in 2016-17, and $9,000,000 in 2017-18 and annually thereafter. These estimates reflect the fact there is a lag between the time when these credits are awarded and when they are actually claimed.

Under current law, the nonrefundable economic development tax credit is available to persons that conduct a job creation, capital investment, employee training, or corporate headquarters location or retention project and are certified by WEDC to receive such credits. The refundable jobs tax credit equals up to 10% of the wages paid to an eligible employee and/or the amount of costs incurred to undertake training activities in a tax year, as determined by WEDC. Economic development tax credits and jobs tax credits certified for taxable years beginning after December 31, 2008, and before January 1, 2016, could be carried forward under the bill for taxable years beginning after December 31, 2015.

Under the bill, the newly created Forward Wisconsin Development Authority (FWDA) could certify a person bill to receive the following as a credit against state income and franchise taxes:

a. The amount of wages that the claimant paid to an employee in an eligible position (a full-time job) in the taxable year, not to exceed 10% of such wages, as determined by FWDA;

b. In addition to "a", the amount of wages that the claimant paid to an employee in an eligible position in that taxable year, not to exceed 5% of such wages, if the employee is employed in an eligible position at the claimant's business in an economically distressed area, as determined by FWDA;

c. The amount of training costs that the claimant incurred, not to exceed 50% of such costs, as determined by FWDA, to undertake activities to enhance an employee's general

knowledge, employability, and flexibility in the workplace; to develop skills unique to the person's workplace or equipment; or to develop skills that will increase the quality of the person's product;

d. The amount of the personal property investment, not to exceed 3% of such investment, and the amount of the real property investment, not to exceed 5% of such investment, in a capital investment project, as determined by FWDA, provided the project involves a total capital investment of at least $1 million, or the project involves a capital investment that is equal to at least $10,000 per employee employed on the project if less than $1 million; and

e. An amount, as determined by FWDA, equal to a percentage of the amount of wages that the person paid to an employee in an eligible position in the taxable year, provided the eligible position was created or retained in connection with the person's location or retention of the person's corporate headquarters in Wisconsin and the job duties associated with the eligible position involve the performance of corporate headquarters functions.

In order to be certified to receive business development tax credits, a person would have to operate or intend to operate a business in this state and enter into a contract with the Authority. Certifications would remain in effect for up to 10 years. A person would be eligible to receive tax benefits if, in each year for which the person claims the credit, the person increases net employment in this state in the person's business above the level during the year before the person was certified, as determined under FWDA's policies and procedures.

FWDA could allocate up to $10 million in business development tax credits in any calendar year. Any unused allocation could be carried forward to future tax years. In addition, WEDC could reallocate any unused angel and early stage seed tax credits to the new credit in any calendar year under a 14-day passive review of the Joint Committee on Finance.

FWDA would have to notify DOR, on at least a quarterly basis, when the Authority certifies a person to receive credits. FWDA would also have to notify DOR within 30 days of revoking a certification for business development tax credits. FWDA could require a person to repay any tax benefits the person claims for a year in which the person failed to maintain an eligible position, as required by an agreement with the Authority. The Authority would have to determine the maximum amount of the tax credits that a certified business could claim, and notify DOR of this amount on at least a quarterly basis. FWDA would have to verify, annually, the information submitted to it by the person claiming credits. In addition, FWDA would be required to adopt policies and procedures for the implementation and operation of the credits.

Partnerships, limited liability companies (LLCs), and tax-option corporations (S corporations) could not claim the business development credit, but the eligibility for, and the amount of, the credit would be based on their payment of amounts eligible for the credit. A partnership, LLC, or S corporation would have to compute the amount of credit that each of its partners, members, or shareholders could claim and would have to provide that information to each of them. Partners, members, and shareholders could claim the credit in proportion to their ownership interests. The claimant would have to include a copy of the claimant's certification for tax benefits with the claimant's return in order to claim the credit.

DOR would be authorized to administer the credit, and take any action, conduct any proceeding, and proceed as authorized under state income and franchise tax laws. State tax provisions related to timely claims, assessments, refunds, appeals, collection, interest, and penalties would apply to the credit.

As noted, the new credit would be refundable. If the allowable amount of the credit claimed exceeds the tax otherwise due, the amount of the claim not used to offset the tax due would have to be certified by DOR to the Department of Administration (DOA) for payment by check, share draft, or other draft drawn from the sum sufficient business development tax credit appropriation.

The bill would also delete statutory references to the following tax credits that are no longer available under state law: (a) development zones daycare credit; (b) development zones environmental remediation credit; (c) development zones investment credit; (d) development zones jobs credit; (e) development zones location credit; (f) development zones research credit; and (g) development zones sales tax credit.

Certain drafting errors are included in the current version of the Governor's bill with regard to: (a) the sunset date for awarding economic development tax credits and jobs tax credits; (b) against which taxes the businesses development tax credit could be claimed; (c) the reallocation of angel and early stage seed tax credits that could be used for business development tax credits; and (d) the availability of credits based on the claimant's corporate headquarters being located in Wisconsin. The above description of the credit reflects the administration's intent. However, an amendment would be needed to make the bill consistent with the Governor's intent.

Joint Finance: Approve the provisions recommended by the Governor, but specify that these provisions would apply to WEDC, rather than FWDA. In addition, make the following changes recommended by the administration to: (a) clarify that the sunset date for awarding economic development tax credits and jobs tax credits is December 31, 2015; (b) allow an eligible claimant to claim the economic development tax credits and jobs tax credits in accordance with a contract, or a letter of intent to enter into a contract, that the claimant entered into with WEDC prior to the sunset date of the credits; (c) delete extraneous language in the bill related to allowing credit carryforwards for the economic development tax credit and the jobs tax credit; (d) clarify that the definition of an "eligible position" means a person employed in a full-time job by a person certified to claim a business development tax credit; (e) clarify that the 5% credit for wages paid in an economically distressed area is in addition to the proposed 10% credit for additional wages paid to any eligible claimant; (f) clarify that the credit for real and personal property investments is up to, rather than equal to, the recommended percentages; (g) clarify that the credit could be claimed against state income or franchise taxes, including the alternative minimum tax; (h) clarify that unused angel and early stage seed tax credits could be reallocated to the business development tax credit using the approval procedure currently used for reallocations to the jobs tax credit; and (i) correct an inconsistent provision regarding the credit for corporate headquarters being located in Wisconsin.

Increase the annual limit recommended by the Governor for the amount of business

development tax credits that WEDC may allocate during a calendar year from $10 million per year to $17 million in 2016 and $22 million in 2017 and annually thereafter. As compared to the Governor's bill, increase estimated GPR expenditures for the credit by $1,750,000 in 2016-17, $8,250,000 in 2017-18, and $12,000,000 in 2018-19 and annually thereafter.

18. LIMIT THE SUPPLEMENT TO THE FEDERAL HISTORIC REHABILITATION TAX CREDIT FOR CERTIFIED HISTORIC STRUCTURES [LFB Paper 324]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$7,800,000	- $7,800,000	$0

Governor: Make the following changes regarding the state supplement to the federal historic rehabilitation tax credit for certified historic structures:

Annual Limit. Limit the amount of tax credits that may be certified by WEDC in any calendar year to no more than $10 million.

Certification Criteria. Provide that, in determining whether to certify a person for a tax credit, WEDC would have to consider all of the following with respect to the activity for which the tax credit is claimed: (a) the number of full-time jobs that may be created; (b) the anticipated benefit to the state of the activity relative to the cost to the state of the tax credit; (c) the projected impact of the activity on the local economy; (d) whether the activity or investments associated with the activity would occur without the tax credit; and (e) the number of credits that have been certified in the same county or municipality in prior years.

Clawback Provisions. Require that, for four years following receipt of a credit, the original claimant would have to report to WEDC the total number of full-time jobs created by the activity for which the credit was claimed. Require WEDC to report to DOR, at least once each calendar quarter, any claimant whose activity created fewer full-time jobs than projected. In addition, require WEDC to report to DOR the name, address, and tax identification number of the claimant, and the number of full-time jobs projected and created. WEDC would have to adopt policies and procedures for the administration of the credit, including all of the following: (a) process by which applicants may apply for certification; (b) certification of the tax credit; (c) reporting requirements for certified claimants; and (d) process and criteria for revocation of certification.

If the activity for which a person claims a supplement to the federal historic rehabilitation tax credit creates fewer full-time jobs than projected, as reported to DOR in the manner described above, the person who claimed the credit would have to repay DOR any amount of the credit claimed, as determined by the Department, in proportion to the number of full-time jobs created compared to the number of full-time jobs projected. If a person sold or transferred the credit in the manner prescribed under state law, the person who initially sold or transferred the credit is responsible for repaying the credit to DOR.

If a person who claims the credit under state law and under federal law for the same qualified rehabilitation expenditures is required to repay the full amount of the federal credit, that person would have to repay to the full amount of the state credit that was claimed. Federal repayment requirements are triggered when the rehabilitated property is disposed of or otherwise ceases to be eligible investment property of the claimant within five years. An amendment would be required to achieve the administration's intent regarding this provision.

Non-Profit Claimants. Clarify that only nonprofit entities under section 501(c)(3) of the Internal Revenue Code may claim the credit and then sell or otherwise transfer it to taxable entities as permitted under state law. IRC section 501(c)(3) applies to certain charitable organizations. The recommended change is intended to ensure that governmental entities do not claim the credit and then transfer it to a taxable entity.

These provisions would first apply to taxable years beginning on January 1, 2016, and would take effect on that date. The administration estimates that these provisions would increase state tax revenues by $7,800,000 in 2016-17, $15,600,000 in 2017-18, $28,200,000 in 2018-19, and $31,000,000 in 2019-20 and annually thereafter.

Under current law, a credit may be claimed for up to 20% of qualified rehabilitation expenditures for certified historic structures and for qualified rehabilitated buildings for taxable years beginning after December 31, 2013. The state credits act as supplements to federal credits, which result in a total credit of 40% for certified historic structures (buildings that have historic significance) and 30% for qualified rehabilitated buildings (constructed prior to 1936). For both credits, qualified rehabilitation expenditures are eligible if the rehabilitated structure is located in this state and the cost of the expenditure is at least $50,000. Current law does not limit the amount of credits that may be claimed in a year, and the credits are not dependent on any specific amount of full-time jobs that may be created as a result of the rehabilitation. However, claimants must be certified by WEDC in order to claim the credits.

Joint Finance: Delete the provisions recommended by the Governor. Reduce estimated tax revenues under the bill by $7,800,000 in 2016-17, $15,600,000 in 2017-18, $28,200,000 in 2018-19, and $31,000,000 in 2019-20 and annually thereafter.

19. ELIMINATE THE SUPPLEMENT TO THE FEDERAL HISTORIC REHABILITATION TAX CREDIT FOR QUALIFIED REHABILITATED BUILDINGS [LFB Paper 324]

GPR-Tax	- $1,000,000

Governor: Sunset the supplement to the federal historic rehabilitation tax credit for qualified rehabilitated buildings on January 1, 2015. Specify that a person who has incurred qualified rehabilitation expenditures before January 1, 2015, could claim the credit for taxable years beginning after December 31, 2014, even if the property is not placed in service until after December 31, 2014. The administration does not anticipate a fiscal impact associated with this provision.

As noted in the previous entry, current law allows a supplement to the federal historic rehabilitation tax credit for up to 20% of qualified rehabilitation expenditures for certified

historic structures and for qualified rehabilitated buildings for taxable years beginning after December 31, 2013. The Governor's proposal would maintain the credit for certified historic structures, but would sunset the credit for qualified rehabilitated buildings. Under current law, "qualified rehabilitated buildings" are generally buildings that were constructed prior to 1936, but do not include certified historic structures or nonresidential property converted into housing if the property had previously been used for housing.

As also noted, claimants must be certified by WEDC in order to claim the credit. The Corporation placed a moratorium on certifying persons for the credit if the application was received after June 23, 2014, for both certified historic structures and qualified historic buildings. WEDC instituted the moratorium because utilization of the credits had been significantly greater than anticipated and, as a result, the revenue reduction to the state was substantially higher than had been expected. WEDC lifted the moratorium for certified historic structures on July 14, 2014. As of this writing, the moratorium on qualified rehabilitated buildings remains in effect. As a result, under the Governor's bill and assuming that WEDC's current moratorium were to remain in effect until these provisions were to be enacted, persons who would be eligible for credits on qualified rehabilitated buildings would be a person who: (a) was certified by WEDC prior to June 23, 2014; and (b) had incurred qualified rehabilitation expenditures of at least $50,000 in calendar year 2014. According to the Corporation, WEDC has, to date, certified six persons as eligible for up to $6.2 million of credits for qualified rehabilitation expenditures on qualified rehabilitated buildings and has entered into a letter of intent (but with whom the Corporation has not yet entered into a contract) with six other persons for up to an additional $9.6 million of such credits.

Joint Finance: Delete the provisions recommended by the Governor. Instead, require WEDC to certify a person as eligible to claim the state supplement to the federal historic rehabilitation tax credit for qualified rehabilitated buildings if the following conditions apply: (a) the person has previously been certified by WEDC to receive a credit for a qualified rehabilitated building; (b) the proposed project is located in the City of Green Bay; (c) the proposed project for which the person applies for the supplement to the federal historic rehabilitation tax credit for a qualified rehabilitated building is on the same parcel as, or a parcel contiguous to, a project described under "a;" and (d) WEDC determines that the person that applies for the credit is eligible to claim the federal credit for the qualified rehabilitated building. Specify that this provision would first apply to taxable years beginning on January 1, 2015. Estimate decreased tax revenues of $500,000 in 2015-16 and 2016-17.

20. MODIFY QUALIFICATION REQUIREMENTS FOR QUALIFIED NEW BUSINESS VENTURES [LFB Paper 326]

Governor: Modify current requirements for certification as a qualified new business venture (QNBV) for purposes of the angel and early stage seed investment credits as described below:

a. Specify that WEDC's policies and procedures must permit the Corporation to waive one or more of the current law requirements that a QNBV must: (1) be headquartered in this state; (2) have at least 51% of the employees employed by the business be employed in this state;

(3) have less than 100 employees at the time the business is initially certified; or (4) agree that it will not relocate outside Wisconsin during the three-years following an investment for which a person may claim the angel investment tax credit in Wisconsin. Prohibit WEDC from waiving these requirements unless WEDC's Board approves standards in the policies and procedures and the waiver complies with the Board's approved standards.

b. Specify that, for a business to be certified, it must have the potential for increasing jobs in this state, increasing capital investment in this state, or both, if, the manufacturing methods are enabled by applying, services that are enabled by applying, or pre-commercialization activity is related to, differentiating technology, rather than proprietary technology as under current law. According to the administration, this change would permit businesses that do not necessarily have patents or patentable technologies, such as software technology businesses, to potentially be certified as a QNBV.

c. Permit a business to be eligible as a QNBV if (in addition to other requirements under state law) the business has the potential for increasing jobs in this state, increasing capital investment in this state, or both, and the business: (1) is a technology-based physician or health care consulting business [a technical amendment would be needed to accomplish this intent]; or (2) is a retailer for whom at least 51% of its annual sales originate on the Internet.

d. Increase the maximum amount of investments that qualify for angel and early stage seed tax credits that a QNBV could receive at the time of certification or recertification, beginning with taxable years starting after December 31, 2014, from $8 million to $12 million.

The angel investment credit is available under the individual income tax and is equal to 25% of a claimant's bona fide angel investment made directly in a QNBV. The early stage seed investment credit is available under the individual income tax, corporate income/franchise tax, and insurance premiums tax and is equal to 25% of the claimant's investment to a certified fund manager that the fund manager subsequently invests in a QNBV. Fund managers and QNBVs must be certified by WEDC.

Joint Finance: Approve the provision described under "b," but delete the provisions described under "a," "c," and "d," above. In addition, specify that a person who is certified to be eligible as a QNBV, but subsequently expanded such that 51% or more of its employees or payroll is located outside the state while maintaining its Wisconsin investment and employment levels, is not considered to have relocated outside the state and is not subject to the current law clawback provisions.

21. QNBV REPAYMENT EXCEPTION [LFB Paper 325]

Governor/Joint Finance: Create an exception to the requirements that certain businesses must pay a penalty to WEDC if they relocate outside of Wisconsin after having received an investment for which an angel investment credit was claimed.

Under current law, in order to be certified as a QNBV, a business must agree that it will not relocate outside of this state during the three years after it receives an investment for which a

person may claim an angel tax credit and agrees to pay WEDC a penalty if it does so. A business relocates outside of this state when the business locates more than 51% of any of the following outside of this state: (a) its employees; (b) its total payroll; or (c) the activities of its headquarters, as determined by WEDC. The penalties are equal to 100% of angel tax credits claimed as a result of the investment if the relocation occurs within one year of certification; 80% if it occurs in the second year; or 60% if it occurs in the third year.

Under the bill, the above requirement would not apply to a business that WEDC certified before April 20, 2012, and that, in reliance on that certification, executed a note or bond that is convertible to an equity interest.

The above repayment requirements became law under 2011 Wisconsin Act 213 and took effect on April 19, 2012. Loans to QNBVs are not eligible for angel credits, unless the debt is later converted into an ownership interest. According to WEDC, certain companies could have received convertible loans prior to the effective date of Act 213 which could have been converted to equity after the repayment requirements took effect and the previously eligible QNBV had expanded in another state to the point where its total payroll outside the state exceeded 51%. The Governor's provisions are intended to prevent such QNBVs from being required to pay the current law penalties to WEDC.

22. MODIFICATIONS TO THE ANGEL AND EARLY STAGE SEED TAX CREDIT [LFB Paper 326]

Governor: Make the following changes to the angel and early stage seed investment tax credits. According to the administration, the proposed changes would have a minimal impact on state revenues.

a. Set the annual limit on the amount of angel and early stage seed investment tax credits that may be claimed at $30.0 million, Under current law, WEDC, in consultation with DOR, must adopt rules to administer the credits. For tax years beginning after December 31, 2010, the rules must limit the aggregate amount of angel tax credits that may be claimed to $20.0 million per year plus an additional $250,000 for investments in nanotechnology businesses; and limit the aggregate amount of ESS credits that may be claimed at $20.5 million per year plus an additional $250,000 for investments in nanotechnology businesses. The bill would reduce the total limit for both credits from $41.0 million to $30.0 million per year.

b. Permit a person who is certified to claim an angel credit after December 31, 2014, to sell or otherwise transfer the credit to another person who is subject to the individual income tax, the corporate income/franchise tax, or the insurance premiums tax. Require the person who transfers the credit to notify WEDC and DOR of the transfer and submit with the notification a copy of the transfer documents. Under current law, the early stage seed credit may be transferred, but not the angel credit. As drafted, the bill would incorrectly apply the 2015 starting date to both the angel and early stage seed credits. An amendment is needed to achieve the administration's intent.

c. Increase the fee that WEDC may charge a person selling or otherwise transferring

an angel or early stage seed credit from an amount equal to 1% of the credit amount sold or transferred to 5% of that amount.

No fiscal effect is estimated for these provisions.

Joint Finance: Approve the Governor's recommendation described under "a" above. In addition, specify that: (a) unallocated angel investment credits and early stage seed investment credits from prior years may not be carried forward and issued in subsequent years; and (b) the existing balance of unallocated business investment credits from prior years may not be allocated by WEDC. Adopt the Governor's recommendation under "c" with a modification requested by the administration to specify that WEDC may charge a fee of up to 5% relating to the transfer of early stage seed investment credits. Delete the Governor's provision under "b" described above.

23. MANUFACTURING AND AGRICULTURE TAX CREDIT MODIFICATIONS [LFB Paper 321]

Governor: Make the following modifications to the manufacturing and agriculture tax credit (MAC) under the individual income tax, including the alternative minimum tax, and corporate income/franchise tax.

a. Specify that the numerator for the agriculture property factor is calculated using a claimant's real property and improvements that are assessed and valued under state property tax law as the following class of property: agriculture, undeveloped, agricultural forest, productive forest land, or other. Under current law, only property classified as agriculture property under state property tax law is included in calculating the numerator of the agriculture property factor. According to the administration, this provision would more accurately reflect how DOR has administered the credit.

b. Modify the definition of "direct costs" and "indirect costs" to specify that those costs include all of the claimant's ordinary and necessary expenses paid or incurred during the taxable year in carrying on the trade or business that are deductible as business expenses under the IRC, rather than such costs that are deductible under Section 162 of the IRC under current law. According to the administration, this provision would clarify DOR's interpretation that depreciation, which is listed under Section 167 of the IRC, is included as a direct or indirect cost for purposes of calculating qualified production activities income.

c. Specify that, when calculating the numerator under the manufacturing property factor, a claimant who DOR approves to be classified as a manufacturer under the state assessment of manufacturing property law who is not eligible to be listed on the Department's manufacturing roll until January 1 of the following year, may claim the credit in the year in which the manufacturing classification is approved. According to the administration, this provision would allow a manufacturer relocating or commencing operations in the state to be able to claim the credit in the year in which the manufacturer begins operations and DOR approves the classification as a manufacturer, rather than requiring the manufacturer to wait until the property is assessed as manufacturing property to claim the credit.

These provisions would first apply, and take effect, retroactively to January 1, 2013. The administration does not anticipate these provisions to have a significant effect on state tax revenues.

Joint Finance: Delete item "a" above from the biennial budget bill. After introduction of the bill, the administration indicated that this provision was inadvertently included in the bill. Maintain the current law calculation for the agriculture property factor.

24. DECREASE MANUFACTURING AND AGRICULTURE CREDIT IN 2015

GPR-Tax	$16,800,000

Joint Finance: Reduce the MAC percentage from 5.526% to 5.025% for tax year 2015, but allow the percentage to increase to 7.5% in tax year 2016. Also, provide an exemption for the interest rate accrual for underpayment of estimated taxes if the taxpayer lowered their estimated tax payments for tax year 2015 under the assumption that the MAC percentage would have increased to the current law rate. Estimate increased state tax revenues of $16,800,000 in 2015-16.

25. SUM SUFFICIENT REESTIMATE FOR THE WOODY BIOMASS HARVESTING AND PROCESSING TAX CREDIT [LFB Paper 319]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $487,500	$37,500	- $450,000

Governor: Decrease funding by $187,500 in 2015-16 and $300,000 in 2016-17 for the sum sufficient appropriation for the woody biomass harvesting and processing tax credit to reestimate credit claims during the 2015-17 biennium. With the adjustment, estimated total funding would decrease from $300,000, annually, to $112,500 in 2015-16 and $0 in 2016-17. Pursuant to 2013 Wisconsin Act 20, the credit sunset beginning in tax year 2015. The reduction reflects: (a) the estimated amount of remaining credits that will be claimed in 2015-16; and (b) that no remaining credits will be claimed in 2016-17. Prior to tax year 2015, the woody biomass harvesting and processing tax credit equaled 10% of the amount paid for equipment that was used primarily to harvest or process woody biomass that was used for fuel or as a component of fuel.

Joint Finance: Reestimate the sum sufficient appropriation for the woody biomass harvesting and processing investment credit at $150,000 in 2015-16 and $0 in 2016-17. Compared to the bill, the reestimate would increase the woody biomass harvesting and processing appropriation by $37,500 in 2015-16.

26. INTEREST ON OVERPAYMENT OF TAXES

GPR	- $2,500,000

Governor/Joint Finance: Decrease estimated payments from the sum sufficient

appropriation by $1,250,000 annually to reflect payments estimated at $1,250,000 annually. The amounts reflect the interest on taxes refunded to taxpayers due to an overpayment of individual and corporate income and franchise taxes, general sales and use taxes, and manufacturing property taxes.

27. CLAIM OF RIGHT CREDIT

GPR	$114,000

Governor/Joint Finance: Increase funding by $57,000 annually for the sum sufficient appropriation for the claim of right credit. With these adjustments, base funding of $170,000 would be increased to $227,000 in each year. The credit is extended to taxpayers who must repay income on which taxes were paid in a prior year.

28. CONVERT DAIRY MANUFACTURING FACILITY INVESTMENT CREDITS FROM CONTINUING TO SUM SUFFICIENT APPROPRIATIONS [LFB Paper 320]

GPR	$340,000
GPR-Lapse	$1,450,000

Joint Finance: Convert the two dairy manufacturing facility investment credit appropriations for dairy cooperatives and for other entities from continuing appropriations to sum sufficient appropriations. Increase estimated general fund lapses by $1,450,000 in 2015-16, and increase estimated GPR expenditures from the dairy manufacturing facility investment credit appropriation for other entities by $340,000 in 2015-16. Pursuant to 2013 Wisconsin Act 20, both credits sunset beginning in tax year 2014. Both credits were refundable and were equal to 10% of the amount paid for modernizing or expanding dairy manufacturing operations.

Under the state's accounting system, the balance carried forward from one fiscal year to the following fiscal year in a continuing GPR appropriation is set aside for the appropriation's designated use and is not available for other uses. According to the State Comptroller's Office, converting a continuing GPR appropriation to a sum sufficient appropriation would lapse the carryover authority to the general fund. Net of estimated 2014-15 expenditures, the balance on July 1, 2015, for the dairy manufacturing investment credit; dairy cooperatives appropriation is estimated at $1,450,000. These monies would become available in the general fund at the beginning of state fiscal year 2015-16 upon conversion of the appropriation.

The dairy manufacturing investment credit appropriation for other entities has, to date, exceeded the amount of credit claims that can be paid from its current expenditure authority. Credit claims are estimated to exceed available funding by $240,000 in 2014-15 and $100,000 in 2015-16. Once converted from a continuing GPR appropriation to a sum sufficient appropriation, credit claims could be paid to eligible claimants. It is estimated that expenditures from the dairy manufacturing investment credit appropriation for other entities would be $340,000 in 2015-16.

29. SUM SUFFICIENT REESTIMATE FOR THE FOOD PROCESSING FACILITY AND FOOD WAREHOUSE INVESTMENT CREDIT [LFB Paper 319**]**

GPR	$150,000

Joint Finance: Reestimate the sum sufficient appropriation for the food processing facility and food warehouse investment credit to be $150,000 in 2015-16 and $0 in 2016-17. Compared to the Governor's bill, the reestimate would increase the food processing plant and food warehouse investment credit appropriation by $150,000 in 2015-16. The reestimate would more accurately reflect the estimated remaining expenditures for eligible claims associated with the credit. Pursuant to 2013 Wisconsin Act 20, the credit sunset beginning in tax year 2014. Prior to tax year 2014, the credit was equal to 10% of the amount paid for food processing or food warehousing modernization or expansion.

30. SUM SUFFICIENT REESTIMATE FOR THE MEAT PROCESSING FACILITY INVESTMENT CREDIT [LFB Paper 319**]**

GPR	$100,000

Joint Finance: Reestimate the sum sufficient appropriation for the meat processing facility investment credit at $100,000 in 2015-16 and $0 in 2016-17. Compared to the Governor's bill, the reestimate would increase the meat processing facility investment credit appropriation by $100,000 in 2015-16. The reestimate would more accurately reflect the estimated remaining expenditures for eligible claims associated with the credit. Pursuant to 2013 Wisconsin Act 20, the credit sunset beginning in tax year 2014. Prior to tax year 2014, the credit was equal to 10% of the amount paid for meat processing modernization or expansion related to a meat processing operation.

31. CLARIFICATION OF THE ECONOMIC DEVELOPMENT TAX CREDIT STATUTES [LFB Paper 322**]**

Joint Finance: Delete the reference to reallocations of unused angel and early stage seed credits in the economic development tax credit statutes. According to the Legislative Reference Bureau, the incorrect reference was the result of a drafting error that was included in Substitute Amendment 1 to 2009 Senate Bill 409 (2009 Act 265).

32. BUSINESS TAX CREDIT NOTIFICATION REQUIREMENTS [LFB Paper 323**]**

Joint Finance: Delete the following statutory reporting requirements for when WEDC must notify DOR of when the Corporation certifies or revokes a certification under its business tax credit programs:

a. *Enterprise Zones Credit.* WEDC must notify DOR when the Corporation certifies a business to receive the credit. Within 30 days after a certification is revoked, WEDC must notify DOR of the revocation.

b. *Jobs Tax Credit.* WEDC must notify DOR when the Corporation certifies a business

to receive the credit and must notify DOR within 30 days of revoking a person's certification for credits. Additionally, WEDC must determine the maximum amount of tax credits that a certified business can claim and notify DOR of this amount.

c. *Economic Development Credit.* WEDC must provide DOR with a notice of eligibility to receive tax credits that reports the amount of credits for which the person is eligible. The Corporation must notify DOR of a revocation of the credits, including the value of the tax credits for which the person is liable.

d. *Early Stage Seed Investment Credit.* WEDC must notify DOR of every certification of an investment fund manager that is eligible to invest in a qualified new business venture that is certified by WEDC. The Corporation must also notify DOR of the date on which any certification is revoked or expires.

e. *Angel Business Investment Credit.* WEDC must notify DOR of every business certified as a QNBV. The Corporation must also notify DOR of the date on which any certification is revoked or expires.

f. *Development Opportunity Zones Credit.* WEDC must notify DOR of all persons entitled to claim the credit and must notify the Department within 30 days after revoking the entitlement of a person to claim the credit.

g. S*upplement to the Federal Historic Rehabilitation Credit.* WEDC must notify DOR, no later than January 15 of each year, of the amount of credits certified and the name, address, and tax identification number of each person certified to claim the credit. WEDC must notify DOR of any revoked certification no more than two months after the revocation date.

Delete the provision under the Governor's bill that would have required the Forward Wisconsin Development Corporation (FWDA) to notify DOR, on at least a quarterly basis, when FWDA certifies a person to receive credits. FWDA would also have had to notify DOR within 30 days of revoking a certification for the credit. [As introduced by the Governor, WEDC would have been merged into the proposed entity FWDA beginning January 1, 2016, or on the day following publication of the bill, whichever is later. The proposed merger was deleted from the bill and is described under "Forward Wisconsin Development Authority."]

Instead, require WEDC to provide the following information to DOR regarding each tax credit that is jointly administered by the two agencies: (a) certification of a person for tax benefits; (b) amount of tax benefits certified; (c) revocation of a certification for tax benefits; (d) amount of tax benefits revoked; (e) verification that a certified person has completed the activities required in order for the person to claim a credit; (f) amount of credit that may be claimed as a result of the verification; (g) a list of the businesses and individuals that will be eligible to claim the credit following the verification, including owners of pass-through entities; (h) the taxable years of such businesses and individuals; (i) amount of tax credits that have been claimed but must be repaid; and (j) any other information DOR and WEDC determine is necessary to accurately track certification and usage of the tax credits. Require that this information be provided for transferred credits as well as for credits that have not been transferred.

Require businesses that WEDC certifies to receive tax credits to provide any information necessary for the Corporation to comply with the above requirements. Require DOR to track the amount of credits jointly administered with WEDC that have been claimed and used to offset tax liability, and the amount of any available unused credits. Specify that WEDC must provide the above information to DOR by the last day of the first month following the close of each calendar quarter for certifications, revocations, verifications, transfers, or determinations by WEDC that a credit must be repaid, that occurred in that calendar quarter.

33. REPEAL EXCLUSION FOR JOB CREATION

GPR-Tax	$5,400,000

Joint Finance: Beginning in tax year 2015, repeal the current law exclusion from income under the individual income tax and the corporate income/franchise tax for increased employment in Wisconsin equal to: (a) $4,000 multiplied by the increase in the number of full-time equivalent (FTE) employees for businesses with gross receipts of $5 million or less in the tax year; or (b) $2,000 per FTE employee for businesses with gross receipts of $5 million or more. Increase estimated state tax revenues by $2,700,000 in 2015-16 and annually thereafter.

34. ANGEL INVESTMENT TAX CREDIT DEFINITION

Joint Finance: Modify the definition of "bona fide angel investment" to include the purchase of a note or bond that is convertible to an equity interest. Specify that this provision would first apply to bona fide angel investments made in taxable years beginning on January 1, 2016. Reduce estimated state tax revenues by a minimal amount.

Under current law, the angel investment tax credit may be claimed under the individual income tax, including the alternative minimum tax. The credit is equal to 25% of the claimant's bona fide angel investment made directly in a QNBV that is certified by WEDC. "Bona fide angel investment" means a purchase of an equity interest, or any other expenditure, as determined by rule, that is made by a person who reviews new businesses or proposed new businesses for potential investment of the person's money, of by a network of such persons under current law. This provision would specify that a "bona fide angel investment" also includes the purchase of a note or bond that is convertible to an equity interest.

With the current law definition, an angel credit may be claimed when a convertible debt investment in a QNBV is converted to an equity interest. Under the Joint Finance provision, a credit could be claimed at the time a convertible debt investment is made in a QNBV.

35. MODIFICATIONS TO THE RESEARCH CREDIT

Joint Finance: Modify the methodology for calculating the state research credit to be equal to 5.75% of the amount by which the claimant's qualified research expenses for the taxable year exceed 50% of the claimant's average qualified research expenses for the three preceding years. Specify that the credit is equal to 2.875% of the current year's qualified research expenses if the claimant had no qualified research expenses in one or more of the three preceding years. For

research related to internal combustion engines, including vehicles powered by such engines, and energy efficient lighting systems, building automation and control systems, or automotive batteries, specify that the methodology for calculating the state research credit must use a higher percentage (11.5% and 5.75%, respectively), as compared to other qualified research expenses. Specify that this provision first applies to taxable years beginning after December 31, 2014. Estimate this provision to have a minimal effect on state revenue; however, certain taxpayers may experience net tax increases or decreases as a result of this provision.

Current law provides a nonrefundable research credit which may be claimed under the individual income tax, including the alternative minimum tax, and the corporate income/franchise tax. In general, the credit is equal to 5% of the amount obtained by subtracting the claimant's "base amount" from the claimant's qualified research expenses. The credit percentage is 10% for research expenses related to designing internal combustion engines, including vehicles powered by such engines, and for research related to the design and manufacturing of energy efficient lighting systems, building automation and control systems, or automotive batteries for use in hybrid-electric vehicles. In general, the terms "qualified research expenses" and "base amount" are the same as the definitions used for a similar federal tax credit. To determine the credit, taxpayers must perform a complicated series of calculations. This provision would provide a simplified methodology for taxpayers to claim the credit, as compared to current law.

Sales and Excise Taxes

1. SALES AND USE TAX NEXUS CREATING ACTIVITIES [LFB Paper 334]

Governor: Modify the statutory definition of "retailer engaged in business in this state" for purposes of the use tax as described below.

Under current law, "retailer engaged in business in this state" means any of the following:

a. Any retailer owning any real property in this state or leasing or renting out any tangible personal property, or other taxable items or property, located in this state or maintaining, occupying or using, permanently or temporarily, directly or indirectly, or through a subsidiary, or agent, by whatever name called, an office, place of distribution, sales or sample room or place, warehouse or storage place or other place of business in this state.

b. Any retailer having any representative, agent, salesperson, canvasser or solicitor operating in this state under the authority of the retailer or its subsidiary for the purpose of selling, delivering or the taking of orders for any tangible personal property, or other taxable items or taxable services.

c. Any retailer selling tangible personal property, or other taxable items or services for storage, use, or other consumption in this state, unless otherwise limited by federal law.

d. Any person who has an affiliate in this state, if the person is related to the affiliate and if the affiliate uses facilities or employees in this state to advertise, promote, or facilitate the establishment of or market for sales of items by the related person to purchasers in this state or for providing services to the related person's purchasers in this state, including accepting returns of purchases or resolving customer complaints. The statutes include additional detail defining "related persons."

The bill would not modify items "c" or "d".

Under the bill, retailers leasing or renting out property in this state would have nexus under "a" above if the lease or rental is sourced to this state rather than if the rented property is located in this state.

The provision under "b" regarding a retailer having any representative, agent, salesperson, canvasser or solicitor operating in this state would specifically include a manufacturer's representative. In addition, this provision would apply to representatives or agents performing other activities described in the nexus statutes, in addition to selling, delivering or taking orders for any taxable goods or services. This provision would also create nexus if the agent is performing the identified activities as they relate to nontaxable services.

The bill would also add the following to the nexus statute: (a) any person servicing, repairing, or installing equipment or other tangible personal property or taxable goods in Wisconsin; (b) any person delivering taxable goods into Wisconsin in a vehicle operated by the person that sells the items that are delivered; and (c) any person performing construction activities in Wisconsin. These provisions are currently stated in DOR administrative rules. The fiscal effect of these provisions is expected to be minimal.

Joint Finance: Modify the Governor's recommendation to make a technical revision clarifying that the property location rather than the source of the lease controls the creation of nexus.

2. SALES TAX: DISTRIBUTION FACILITIES

Governor/Joint Finance: Clarify in the statutes that the operator of a distribution facility selling tangible personal property on behalf of a third-party seller is not a "retailer" for the purpose of imposing and collecting the state sales and use tax. Third-party sellers using distribution facilities in the state would still be considered retailers and would remain liable for Wisconsin sales or use tax on their sales of taxable products when the sales take place in Wisconsin. According to DOR, these provisions are consistent with its current interpretation of the rules and statutes. The fiscal effect of these provisions is expected to be minimal.

Definitions. Define the following terms.

"Affiliate" as a person that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, another person. For purposes of this provision, a person controls another person if that person holds at least 50% ownership

interest in the other person.

"Distribution facility" as an establishment where tangible personal property is stored and processed for delivery to customers and where no retail sales of the property are made.

"Third-party seller" as a person who owns tangible personal property who enters into a contract with a "retailer" (defined below) for the sale of the tangible personal property and who is not an affiliate of the "retailer."

"Retailer" would not include a person, or the person's affiliates, making sales of tangible personal property or other taxable items if all of the following apply: (a) the person or any of the person's affiliates operates a distribution facility; (b) the person or any of the person's affiliates sells the tangible personal property on behalf of a third-party seller; (c) the third-party seller owns the tangible personal property or items and is disclosed to the customer as the seller; and (d) neither the person nor any affiliate of the person makes any sales for which the customer takes possession of the tangible personal property at a location operated by the person or any of the person's affiliates.

This exclusion would not apply to sales at auction; sales of tangible personal property or other taxable items owned or previously owned by the person operating the distribution facility or by any of the person's affiliates; or the sales of any of the following that are registered or titled, or required to be registered or titled, under the laws of this state, or of the United States: (a) motor vehicles, (b) aircraft, (c) snowmobiles, (d) recreational vehicles, (e) trailers, (f) semitrailers, (g) all-terrain vehicles, (h) utility terrain vehicles, and (i) boats.

3. DELAY THE EFFECTIVE DATE FOR 2013 WISCONSIN ACT 229

GPR-Tax	$21,800,000

Governor: Change the effective date of Wisconsin Act 229 from July 1, 2015, to July 1, 2017. This would delay provisions contained in Act 229 which allow a retailer to claim a deduction or a refund of sales taxes related to bad debt of an affiliated lender that extends credit through a private label credit card, dual purpose credit card, or dealer credit program. Delaying the effective date for this provision would increase state sales tax revenue by an estimated $10,700,000 in 2015-16 and $11,100,000 in 2016-17.

Joint Finance: Specify that the Governor's recommendation to delay the effective date for 2013 Act 229 from July 1, 2015, to July 1, 2017, would take effect on June 30, 2015, instead of on the general effective date of the budget bill. In addition, specify that the Act 229 provisions would first apply to bad debts resulting from sales completed beginning on July 1, 2017. This change would also take effect on June 30, 2015.

4. REESTIMATE CIGARETTE AND TOBACCO PRODUCTS TAX REFUNDS

GPR	$4,460,000

Governor/Joint Finance: Increase funding for cigarette and tobacco products tax refunds

by $1,380,000 in 2015-16 and $3,080,000 in 2016-17 to reflect higher estimates of the sum sufficient appropriation amounts required to reimburse Native American tribes under present law. With these adjustments, estimated total funding in the cigarette and tobacco products tax refunds appropriation would increase to $36,680,000 in 2015-16 and $38,380,000 in 2016-17. Under current law, for sales that occur on reservations or trust lands, the tribes receive a refund of 100% of the excise tax on cigarettes sold to Native Americans and 70% of the tax on sales to non-Native Americans. For tobacco products sold on reservations or trust lands, the tribes receive a refund of 100% of the tax on products sold to tribal members and 50% of the tax on products sold to non-Native Americans.

5. INCREASE CIGARETTE TAX MANUFACTURER'S DISCOUNT

GPR-Tax	- $1,100,000

Joint Finance: Increase the cigarette tax stamp discount from 0.7% to 0.8% for cigarette manufactures, bonded direct marketers, and distributors, effective on the first day of the third month beginning after publication of the bill. It is estimated that this provision would reduce state revenues by $500,000 in 2015-16 and $600,000 in 2016-17.

6. IMPOSE HARD CIDER TAX ON PEAR CIDER

GPR-Tax	- $375,000

Joint Finance: Impose the hard cider tax, instead of the wine tax, on hard cider made from pears. Effective January 1, 2016, this provision would decrease estimated state tax collections by $125,000 in 2015-16 and by $250,000 in 2016-17.

7. SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS

GPR-Tax	- $11,000,000

Joint Finance: Create a sales and use tax exemption for goods sold to construction contractors who, in fulfillment of a real property construction activity, transfer the goods to school districts, municipalities, and nonprofit entities, if such goods become a component of a facility in this state that is owned by the entity.

Specify that eligible nonprofit entities would include those that are organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, except hospital service insurance corporations.

Define "facility" as any building, shelter, parking lot, parking garage, athletic field, athletic park, storm sewer, or water supply system, but not a highway, street, or road.

Specify that these provisions would take effect on January 1, 2016, and first apply to construction contracts entered into on that date. It is estimated that this provision would reduce revenues by $3,500,000 in 2015-16 and $7,500,000 in 2016-17.

8. SALES TAX EXEMPTION FOR DEER SOLD TO GAME FARMS OR HUNTING PRESERVES

GPR-Tax	- $210,000

Joint Finance: Exempt the sales of farm-raised deer that are sold to a person who is operating a hunting reserve or game farm in Wisconsin from the state sales and use tax.

Specify that the exemption would be effective January 1, 2016. It is estimated that this provision would reduce state revenues by $70,000 in 2015-16 and $140,000 in 2016-17.

9. SALES TAX EXEMPTION FOR AMUSEMENT DEVICE PROCEEDS

GPR-Tax	- $300,000

Joint Finance: Specify that, with regard to taxable sales on access to or the use of an amusement device, the state sales and use tax only be imposed on the sales of playing time on the device. To the extent that playing time on an amusement device derives from playing specified digital goods ("specified digital goods" means digital audio works, digital audiovisual works, and digital books under current law) or additional digital goods ("additional digital goods" includes video or electronic games under current law) on the device, the state sales and use tax would not apply.

Define "amusement device" as a pool table, video game machine, video gambling machine, dart board, pinball machine, foosball table, air hockey table, shuffleboard table, or jukebox.

Specify that the exemption would be effective January 1, 2016. It is estimated that this provision would reduce state revenues by $100,000 in 2015-16 and $200,000 in 2016-17.

Regulation of Alcohol Beverages

1. RETAIL ALCOHOLIC BEVERAGE LICENSE MODIFICATIONS

Joint Finance: Allow a municipality that has reached its "Class B" license (on-premises sales of liquor) quota to obtain a "Class B" license if the municipality that has reached its quota pays a nonrefundable fee of $10,000 to a contiguous municipality that has not reached its quota. Specify that, upon payment of the fee, the transferred license would be under the jurisdiction of the receiving municipality and would be renewed under existing law. Permit, but do not require, municipalities with available licenses to transfer an available license to a contiguous municipality under these provisions. Permit a municipality to transfer or receive more than one license as long as each transfer meets the requirements under these provisions. Prohibit dry municipalities (municipalities that have not issued a "Class B" license) from transferring available licenses under these provisions.

Specify that the $10,000 fee paid for a reserve "Class B" license may not be rebated or refunded to the licensee by the municipality that issued the license.

Delete a current provision that permits municipalities that have reached their quotas to issue a "Class B" license to a full-service restaurant that has a seating capacity of 300 or more persons.

Prohibit a winery from being issued a Class "B" license (on-premises sales of beer) after the effective date of the budget bill.

2. RETAIL SALES OF HARD CIDER

Joint Finance: Specify that a municipality may issue a "Class A" liquor license to an applicant if: (a) the application is made for a "Class A" license containing the condition that retail sales of intoxicating liquor are limited to hard apple and pear cider, and (b) the applicant holds a Class "A" beer license for the same premises. In addition, restrict a person issued a license under this provision from selling, or provide taste samples, of any intoxicating liquor other than cider. There would be no annual fee or initial issuance fee for a "Class A" license issued under the provision.

3. "CLASS B" LIQUOR LICENSE QUOTA EXEMPTION

Joint Finance: Provide one additional "Class B" liquor license to the Town of Wyoming in Iowa County in addition to the number of licenses determined for the town's "Class B" license quota. Specify that: (a) the Town may not establish an initial issuance fee or an annual fee for the new license that exceeds $500; (b) the new license must be issued within six months after the effective date of the budget bill; and (c) if the license is surrendered, not renewed, or revoked, the Town may not reissue the license.

4. MODIFY DOR AUTHORITY TO ISSUE A RETAIL ALCOHOL PERMIT

Joint Finance: Require DOR to issue a retail beer and intoxicating liquor license to an American Indian tribe in this state that has a reservation encompassing not less than 60,000 acres nor more than 70,000 acres and that meets any of the following provisions: (a) the tribe held a retail beer and intoxicating liquor license that was not renewed or suspended or revoked for grounds unrelated to certain license qualification standards for individuals, operators, managers and corporations, or (b) the tribe held a retail beer and intoxicating liquor license that was not renewed or was suspended or revoked for grounds related to certain license qualification standards for individuals, operators, managers and corporations, and the nonrenewal, suspension, or revocation was reversed by court order.

Under current law, DOR is required to issue a retail beer and intoxicating liquor license to an American Indian tribe in this state having a reservation encompassing not less than 60,000 acres nor more than 70,000 acres.

GENERAL PROVISIONS

Budget Change Items

1. COST OF BLOOD WITHDRAWALS RELATED TO INTOXICATED AND RECKLESS FLYING VIOLATIONS

Governor/Joint Finance: Require municipal and circuit courts to impose any costs charged to, paid by, or expected to be charged to, a law enforcement agency for the withdrawal of a person's blood, in cases where a person is found in violation of statutes related to operating an aircraft while intoxicated, with a prohibited blood alcohol concentration, with any blood concentration of a restricted controlled substance, or in a reckless manner, upon that person. Generally, current law provides that if a person is found in violation of the statutes related to operating a motor vehicle, an all-terrain vehicle, a snowmobile, or a motorboat under the influence of an intoxicant or with a prohibited blood alcohol concentration, the court imposes on that person the law enforcement agency's cost for collecting the person's blood. By statute, following an initial test for intoxication, a person arrested for violation of operating while intoxicated laws may request a second, alternative test, which must be administered at no cost to the person arrested. The charges allowed under current law and proposed under this provision do not and would not apply to a requested, free second test. Specify that this provision would be initially applicable to blood withdrawals occurring on the general effective date of the bill.

2. CRIME PREVENTION FUNDING BOARD [LFB Paper 423]

Governor: Create the following provisions relating to a new crime prevention funding board surcharge and county Crime Prevention Funding Boards:

Crime Prevention Funding Board Surcharge. Create the crime prevention funding board surcharge. Require a court to impose a crime prevention funding board surcharge whenever the court imposes a sentence or places a person on probation. The surcharge totals $20 for each misdemeanor or felony count on which conviction occurred. Under current law, a court may grant permission for the payment of a surcharge within a time period not to exceed 60 days. This time period may be extended if the court orders payment of restitution in addition to the surcharge.

Provide that prior to paying the crime prevention funding board surcharge, an individual must first pay the following surcharges, in full, if payment of these surcharges is required by the court: (a) the penalty surcharge (26% of the total fine or forfeiture); (b) the jail surcharge (the greater of $10 or 1% of the total fine or forfeiture); and (c) the crime victim and witness surcharge ($92 for each felony count and $67 for each misdemeanor count, on which conviction occurs).

Further, the new surcharge must be paid, in full, ahead of the following surcharges: (a) the

crime laboratory and drug law enforcement surcharge ($13); (b) the DNA analysis surcharge ($250 for each felony conviction and $200 for each misdemeanor conviction); (c) the child pornography surcharge ($500 for each pornographic image or copy of image associated with the crime); (d) the drug abuse program improvement surcharge (75% of the imposed fine and penalty surcharge); (e) the drug offender diversion surcharge ($10 for each conviction of a crime against property); (f) the driver improvement surcharge ($435); (g) the truck driver education surcharge ($8); (h) the domestic abuse surcharge ($100 for each offense); (i) the global positioning system tracking surcharge ($200 for each offense); (j) the consumer protection surcharge (25% of the total fine or forfeiture); (k) various Department of Natural Resources and environmental surcharges (the surcharge amount varies depending on the offense); (l) the weapons surcharge (75% of the fine or forfeiture); (m) the uninsured employer surcharge (75% of the fine or forfeiture); (n) the supplemental food program for women, infants, and children enforcement surcharge (50% of the imposed fine, forfeiture, or recoupment); (o) the ignition interlock surcharge ($50); and (p) payment of the fine and other costs and fees imposed.

Provide that, after the clerk of the court determines the amount owed under surcharge, the clerk must collect the surcharge payments and transmit the collected amounts to the county treasurer. Require that the county treasurer: (a) deposit all monies received from the crime prevention funding board surcharge into a crime prevention fund; and (b) make grant payments with the amounts collected from the crime prevention funding board surcharge, as directed by the Crime Prevention Funding Board.

Crime Prevention Funding Board. Create a Crime Prevention Funding Board in each county in which the county treasurer receives money from the crime prevention funding board surcharge. Authorize the Board to solicit applications for grants and vote on how to direct the county treasurer to distribute grants to applicants from monies in the crime prevention fund. Provide that the Board may direct the county treasurer to distribute grants to any of the following entities, in amounts determined by the Board: (a) one or more private nonprofit organization within the county with a primary purpose of preventing crime, providing a funding source for crime prevention programs, encouraging the public to report a crime, or assisting law enforcement agencies in the apprehension of criminal offenders; and (b) a law enforcement agency within the county that has a crime prevention fund, if the contribution is used for crime prevention purposes. Require that the Board direct not less than 50% of the grant payments from the crime prevention fund to one or more organization described under (a).

Require that a county Crime Prevention Funding Board consist of the following members: (a) the presiding judge of the circuit court, or his or her designee; (b) the district attorney, or his or her designee; (c) the sheriff, or his or her designee; (d) one of the following county officials, or his or her designee: (1) a county executive; (2) the county administrator, if the county does not have a county executive; or (3) the chairperson of the county board of supervisors, if the county does not have a county executive or a county administrator; (e) the chief elected official of the largest municipality in the county, as determined by population, or his or her designee; (f) a person chosen by a majority vote of the sheriff and all the chiefs of police departments that are located wholly or partly within the county; and (g) a person chosen by the public defender's office that handles cases in the county.

Provide that members of the Board must meet, and its members may receive no compensation other than reimbursement for actual and reasonable expenses incurred in the performance of their duties on the Board. Members must serve for the terms that are determined by the Board. Provide that, upon the creation of a Board, the initial members of the Board must declare that they are serving on the Board, or appoint their designees, not later than the first day of the 4th month beginning after the Board is created.

Reporting Requirements of the Crime Prevention Funding Board and Grant Recipients. Require that the Board annually submit a report on its activities to the following: (a) the clerk of the court for the county that distributed the funds; (b) the county board; and (c) the legislative bodies of each municipality that is located wholly or partly within the county. The report must contain the following information for the year to which the report relates: (a) the name and address of each entity that received a grant, including contact information for the leadership of the entity; and (b) a full accounting of all funds disbursed by the county treasurer at the direction of the Board, including the amount of the funds disbursed, the dates of the disbursal, and the purpose for which the grant was made.

Require that each recipient of a grant awarded from the crime prevention fund annually submit a report on its activities to the following: (a) the Crime Prevention Funding Board; (b) the clerk of the court for the county that distributed the funds; (c) the county board, and (d) the legislative bodies of each municipality that is located wholly or partly within the county. The report must contain the following information for the year to which the report relates: (a) the name and address of the grant recipient; (b) the name, address, and title of each member of the governing body of the grant recipient; (c) the purposes for which the grant award was spent; (d) a detailed accounting of all receipts and expenditures of the grant recipient that relate to the grant award; and (e) the balance of any remaining funds.

Joint Finance: Adjust the crime prevention funding board (CPFB) surcharge's place in the order of precedence for surcharge payments. Specifically, provide that the CPFB surcharge be paid after all other surcharges imposed on an individual, but before payment of the fine, fees, and other court costs assessed on the individual.

Modify the bill to allow, rather than require, county boards to create a crime prevention funding board. Further, provide that a court would be authorized and required to impose a $20 crime prevention funding board surcharge only in counties that have established a crime prevention funding board. Further, in counties that establish a crime prevention funding board, and in which no non-profit crime prevention organization exists, authorize the crime prevention funding board to distribute all revenue generated from the crime prevention funding board surcharge to a law enforcement agency within the county.

3. NEW METHOD FOR TOWNS CONTIGUOUS TO A THIRD CLASS CITY TO INCORPORATE

Joint Finance: Create a new method for certain towns contiguous to a third class city to incorporate as a village. The following procedures would be required: (a) the town board must adopt a resolution calling for a referendum in the town on whether the town should become a

village; and (b) a majority of the votes cast in the referendum must be in favor of becoming a village.

Specify that the new method may be used only by a town that meets the following conditions: (a) the population of the town must exceed 6,300, according to the most recent federal decennial census; (b) the town is contiguous to a third class city; (c) the most recent data from the Department of Revenue show that the town's equalized value exceeds $600,000,000; (d) in one of the five previous years, the town's equalized value increased more than seven percent, compared to the prior year; (e) the town board is authorized to exercise village powers; (f) the town has entered into and is currently bound by at least two cooperative boundary agreements with at least two separate municipalities (cities, villages, or towns); and (g) the town has established at least one tax incremental financing district and at least one town sanitary district.

The procedures would sunset after June 30, 2020.

Currently, this provision would only apply to the Town of Windsor in Dane County.

Under current law, the following methods may be used for a town to incorporate as a city or village.

1. Towns that meet minimum population and area threshold requirements may incorporate as a city or village, but only after following certain procedures and receiving approval for the incorporation from a circuit court and from the Department of Administration (DOA). The circuit court must review the incorporation petition to ensure compliance with procedural and signature requirements and must make several determinations relating to minimum area and population density requirements of the area to be incorporated. The Department of Administration must determine whether a number of statutory standards are met, including the characteristics of the territory, the level of governmental services that are desired or needed by the residents compared to the level of services offered by the proposed city or village, the impact upon the remainder of the town from which the territory is to be incorporated, and the impact of the proposed incorporation on the metropolitan community.

2. The incorporation as cities of certain towns that are adjacent to first class cities (presently only Milwaukee) may occur under an expedited process which does not require circuit court or DOA review. With this method, the following procedures are required:

a. The incorporation petition must be circulated in the territory to be incorporated, and the petition must be filed with the town clerk. The petition must be signed by at least 100 persons who are electors and taxpayers in the town and may be circulated only in towns that have the following characteristics: a resident population that exceeds 5,000; the town's equalized assessed value exceeds $20,000,000; and the town is adjacent to a first class city.

b. At the next regular meeting of the town board following the filing of the petition, the board must adopt a resolution calling for a referendum by the electors on the question of the incorporation of the town as a city. If a majority of the votes are cast in favor of a city, the clerk must certify the fact to the Secretary of State, who shall then issue and record a certificate of

incorporation.

3. Prior to June 30, 2010, the incorporation as cities or villages of certain towns that were adjacent to second class cities may have occurred under an expedited process which did not require circuit court or DOA review. With this method (the second class city method), the following procedures were required:

a. The town board must have adopted a resolution calling for a referendum in the town on whether the town should become a city or village.

b. A majority of the votes cast in the referendum must have been in favor of a city or village.

c. The common council of at least one contiguous second class city must approve the incorporation of the town as a city or village.

The procedures to use the second class city method could be used only by a town that met a number of conditions, including the following: (a) the population of the town must have exceeded 23,000, according to the most recent federal decennial census; (b) the town was contiguous to a second class city with a population that exceeded 75,000; (c) the per capita equalized valuation for the town was equal to or greater than the average per capita equalized valuation for all cities and villages in the state; and (d) the town board was authorized to exercise village powers.

4. ENERGY SAVINGS PERFORMANCE CONTRACTING

Joint Finance: Modify current law provisions related to energy savings performance contracting as follows: (a) include conserving water resources and improving metering accuracy in the definition of energy conservation measure; (b) define operational savings as savings from costs eliminated or avoided as a result of installing equipment or providing services; (c) specify that a performance contract is for the implementation of energy conservation and improvement measures in general (state law currently enumerates 11 such measures, and this would create three additional measures), rather than for the implementation of "one or more" of these measures; (e) exclude local governmental units from the definition of qualified provider; (e) include the realization of operational savings and the conservation of water resources in the list of activities that can be the subject of a performance contract; (f) specify that a performance contract with a qualified provider may not allow a local governmental unit to increase the square footage of a facility unless the increase is necessary to make mechanical, electrical, or plumbing improvements in order to achieve reductions in energy consumption or to conserve water resources; (g) include the improvement of energy or water metering accuracy as an alternative guarantee in the report that qualified providers must supply to local governmental units before a performance contract is finalized; (h) include the benefits obtained by improving the accuracy of metering in the cost/benefit findings that permit a local governmental unit to enter into a performance contract; (i) specify that local governments may enter into performance contracts only with qualified providers and only if the qualified provider agrees to sign the performance contract and to sign all contracts with subcontractors, including subcontractors who provide billing services under the performance contract; (j) require the public

notice of the meeting at which the local governmental unit intends to award a performance contract to include an explanation of how the measures that are the subject of the contract will generate operational savings sufficient to pay for the costs of the measures; (k) require all payments to qualified providers to be made no later than the date on which the contract expires and repeal the provision requiring payments to be made over time as energy savings are achieved; (L) clarify that energy savings must be guaranteed by the qualified provider by prohibiting energy savings from being guaranteed by a third party; (m) require every performance contract to assume an annual increase of three percent in the cost of relevant utility services incurred by the local governmental unit unless otherwise agreed; (n) require the amount covered by the qualified provider's performance bond to include payments for work performed by other persons that is necessary to achieve the required guaranteed energy or operational savings; (o) replace lifesafety systems with life safety improvements or systems required to comply with the federal Americans with Disabilities Act under the list of energy conservation measures covered by performance contracting; (p) include replacement or improvement of energy or water metering systems under the list of energy conservation measures covered by performance contracting; (q) include measures to improve indoor or outdoor water conservation, including measures related to water recycling and reuse, and systems or equipment that implement those measures, under the list of energy conservation measures covered by performance contracting; and (r) include measures to improve indoor air quality to meet applicable state and local building code requirements under the list of energy conservation measures covered by performance contracting.

5. PAY FOR PERFORMANCE CONTRACTS

Joint Finance: Require all executive branch state agencies to examine current programs and submit to the Joint Committee on Finance on or before December 1, 2015, a plan that identifies existing government expenditures that could be decreased or programs that could be improved through the use of pay-for-performance contracts. Specify that a pay-for-performance contract is a contract between a government agency and a private organization for the delivery of services under which payment is contingent upon and delayed until achievement of specified outcomes as measured by an independent evaluator using agreed upon metrics. Further, specify that under a pay-for-performance contract the contracting organization may serve as an intermediary which: (a) obtains funding to perform the contract by raising capital from private investors (whether philanthropic, profit seeking, or otherwise); and (b) subcontracts with direct providers (which may or may not be nonprofits) to achieve the required performance outcomes.

6. MADISON METROPOLITAN SEWERAGE DISTRICT

Joint Finance: Make the following changes to Metropolitan Sewerage Districts that are not first class cities, and that contain a second class city with a population of 200,000 or more, including the following provisions:

a. Specify that a metropolitan sewerage district that contains a second class city with a population of 200,000 or more shall be governed by a nine-member commission appointed for staggered three-year terms. [This provision would only apply to the Madison Metropolitan Sewerage District. Currently, metropolitan sewerage districts in districts other than first class cities

are governed by a five-member commission appointed for staggered five-year terms.] Specify that the members would be appointed as follows: (1) five by the mayor of the second class city; (2) three by a majority vote of the members of the executive council composed of the elected executive officers of each city and village that is wholly or partly within the boundaries of the district; and (3) one by a majority vote of the members of the executive council composed of the elected executive officers of each town that is wholly or partly within the boundaries of the district. [Currently, commissioners in metropolitan sewerage districts in districts other than first class cities are appointed by the county board of the county in which the district is located.]

b. Specify that the terms of the current members of a metropolitan sewerage district that contains a second class city with a population of 200,000 or more would expire on the 90th day after publication of the budget bill. Specify that the other provisions would take effect on the 90th day after publication of the budget bill.

c. Specify that the initial members of the commission shall be appointed for the following terms: (1) the member appointed by the executive council of the towns, one member appointed by the executive council of the cities and villages, and one member appointed by the mayor of the second class city, for a term expiring three years after the initial appointment; (2) one member appointed by the cities and villages, and two members appointed by the mayor, for a term expiring two years after the initial appointment; and (3) one member appointed by the cities and villages, and two members appointed by the mayor, for a term expiring one year after the initial appointment.

d. Specify that all actions of a commission in a metropolitan sewerage district that contains a second class city with a population of 200,000 or more shall be approved by a majority vote of the members present, except that the following actions require the affirmative vote of three-fourths of the members who are entitled to a seat on the commission (seven of the nine): (1) any policy, rule, regulation, ordinance, rate, or charging structure that does not by its terms apply uniformly to all geographical areas of the district; and (2) any change in the methods in effect on May 1, 2015, that are used to finance capital projects or to finance operations of the district.

e. Authorize addition of territory to the district if it is annexed or attached to a city or village or added to a town sanitary district if a portion of the city, village, or town sanitary district is located within a district that contains a second class city with a population of 200,000 or more, if the city, village or town sanitary district submits official notice to the commission and the regional planning commission of the region within the district or the greatest portion of the district is located. [This would be in addition to the current allowance of addition of territory that is added to a city, village, or town sanitary district that is located entirely within the original district prior to the annexation or addition, when an official notice from the city, village or town sanitary district is submitted to the commission and regional planning commission.] Specify that the current procedure for potential written objection by the regional planning commission, and public hearing by the commission, would apply to the addition of territory to the district if a portion of the city, village, or town sanitary district is located within the district. [Currently, if, within 30 days after receipt of a notice of addition of territory to the district, the regional planning commission files a written objection with the district commission to any part of the annexation or addition, the district commission holds a public hearing preceded by a class 2 notice, then the commission may approve

the annexation based on a determination that specific standards are met.]

7. GARNISHEE FEES

Joint Finance: Specify that, in addition to the $15 fee paid by creditors to garnishees for each earnings garnishment, employers (garnishees) must receive a $3 fee for each payment delivered to the creditor after the first payments. The additional fee is deducted from monies delivered to the creditor.

Under current law, employers (private and governmental) are paid a $15 fee from creditors for each earnings garnishment. The fee is included as a cost in creditors' claims in earning garnishments. Additionally, governmental employers receive a $3 fee for each payment delivered to the creditor after the first payments. The additional fee is deducted from monies delivered to the creditor. This provision would specify that non-governmental employers may also collect the $3 fee for payments after the first payment.

8. SELF-INSURANCE FOR SCHOOL DISTRICTS AND LOCAL UNITS OF GOVERNMENT

Joint Finance: Modify current law provisions that allow two or more school districts or two or more local units of government (cities, towns, and villages) that together have at least 100 employees to provide health insurance on a self-insured basis to allow school districts to combine with local units of government for the purpose of reaching the 100 employee threshold for self-insurance.

9. MENTAL INJURY DUTY DISABILITY BENEFITS FROM RETIREMENT SYSTEMS OF FIRST CLASS CITIES AND COUNTIES WITH A POPULATION OF 500,000 OR MORE

Joint Finance: Provide that if an employee retirement system of a first class city or of a county with a population of 500,000 or more offers a duty disability benefit, the employee retirement system may only provide the duty disability benefit for a mental injury if: (a) the mental injury resulted from a situation of greater dimensions than the day-to-day mental stresses and tensions and post-traumatic stress that all similarly situated employees must experience as part of the employment; and (b) the employer certifies that the mental injury is a duty-related injury. If the employee retirement system determines that an applicant is not eligible for duty disability benefits for a mental injury, the applicant may appeal the system's determination to the Department of Workforce Development (DWD). In hearing any such appeal, require DWD to follow the procedures under ss. 102.16 to 102.26. Provide that these changes apply to participants in the covered employee retirement systems who first apply for duty disability benefits for a mental injury on or after the effective date of the budget bill.

10. DEFINITION OF PUBLIC RECORDS

Joint Finance: Provide that "deliberative materials" would not be considered a public record for purposes of the state's public records law. Specify that deliberative materials would mean communications and other materials, including opinions, analyses, briefings, background information, recommendations, suggestions, drafts, correspondence about drafts, and notes, created or prepared in the process of reaching a decision concerning a policy or course of action or in the process of drafting a document or formulating an official communication. Deliberative materials would include inter-authority and intra-authority communications but would not include: (a) communications with persons who are not authorized to participate in the process of reaching a decision, drafting a document, or formulating an official communication; and (b) communications with persons other than an authority (as defined under the state's public records law), unless the communication is within the scope of a contract between the person and an authority. This provision would be effective and initially applicable July 1, 2015.

11. EXTENSION OF WATER OR SEWER SERVICE BETWEEN MUNICIPALITIES

Joint Finance: Authorize a municipality to request the extension of water or sewer service from another municipality that owns and operates a water or sewer utility if the request for service is for an area that does not receive water or sewer service from any public utility or municipality on the date of the request, and the municipality requesting the service contains an area that receives water or sewer service from the water or sewer utility owned and operated by the other municipality on the date of the request. Authorize the municipality requesting the service extension to specify the point on the municipal water or sewer utility's system from which service is to be extended to the area that is the subject of the request. Require the municipality that owns and operates the water or sewer utility to approve or disapprove the request in writing within 45 days of the date on which the request is made. Prohibit the municipality owning and operating the water or sewer utility from disapproving a request unless the utility does not have sufficient capacity to serve the area that is the subject of the request or if the request would have a significant adverse effect on the utility. Authorize the municipality making the request to appeal any decision of the municipality that owns and operates the water or sewer utility to deny the service extension to the circuit court of the county in which the municipality is located or is predominately located. Authorize the municipality making the request to proceed under these provisions even if the municipality that owns and operates the water or sewer utility has enacted an ordinance or entered an agreement, before the budget bill's general effective date, specifying that the municipality is not obligated to provide utility service beyond the area covered by the ordinance or agreement.

12. PROHIBIT LOCAL GOVERNMENTS FROM IMPOSING TIME OF SALE REQUIREMENTS

Joint Finance: Prohibit any local governmental unit from restricting, by ordinance, resolution, or any other means, the ability of an owner of real property to sell or otherwise transfer title to or refinance the property by requiring the owner, or an agent of the owner, to take certain actions with respect to the property or pay a related fee, to show compliance with taking certain actions with respect to the property, or to pay a fee for failing to take certain actions with respect to

the property. Specify that the prohibition extends to any of the following times: (a) before the owner may sell, refinance, or transfer title to the property; (b) at the time of the sale or refinancing of, or the transfer of title to, the property; or (c) within a certain period of time after selling, refinancing, or transferring title to the property. Define "local governmental unit" as meaning any of the following: (a) a political subdivision of this state; (b) a special purpose district in this state; (c) an agency or corporation of a political subdivision or special purpose district in this state; (d) a combination or subunit of any of the preceding entities; or (e) an employee or committee of any of the preceding entities. Define "actions with respect to the property" as including such actions as: (a) having an inspection made by an employee or agent of, or contractor with, the local governmental unit; (b) making improvements or repairs; (c) removing junk or debris; (d) mowing or pruning; (e) performing maintenance or upkeep activities; (f) weatherproofing; (g) upgrading electrical systems; (h) paving; (i) painting; (j) repairing or replacing appliances; (k) replacing or installing fixtures or other items; and (l) actions relating to compliance with building codes or other property condition standards. Specify that the preceding provisions do not prohibit a local governmental unit from requiring a real property owner or the owner's agent to take certain actions with respect to the property not in connection with the sale or refinancing of, or the transfer of title to, the property. Provide that an ordinance, resolution, or policy of a local governmental unit that is in effect on the effective date of the biennial budget act and that is inconsistent with the preceding prohibition does not apply and may not be enforced.

13. DUTIES AND POWERS OF THE COUNTY EXECUTIVE IN POPULOUS COUNTIES

Joint Finance: Modify the current law provision regarding the duties and powers of the county executive in counties with a population of 750,000 or more to authorize the county board to continue to exercise authority related to the acquisition of property with regard to land that is zoned as a park on or after the effective date of the biennial budget act, other than land zoned as a park in the City of Milwaukee that is located within the area west of Lincoln Memorial Drive, south of East Mason Street, east of North Van Buren Street, and north of East Clybourn Avenue. Otherwise, authorize the county executive to exercise the authority vested with the county board under current law provisions with regard to: (a) making orders concerning county property and commencing and maintaining actions to protect county interests; (b) transferring county property; (c) constructing, maintaining, and financing county-owned buildings and public works projects; and (d) leasing lands to the Department of Natural Resources. Modify the current law provision pertaining to the sale or lease of property that requires actions of the county executive to be consistent with established county board policy and to be approved by the board to instead allow the county executive's action to not be consistent with established county board policy and to take effect without submission to or approval by the county board. Repeal the current law provision stating that the county board may only approve or reject the contract as negotiated by the county executive. Require the proceeds of the sale of property under this provision to first be applied to any debt attached to the property. Specify that the sale of county land by the county executive not take effect until a majority of the following individuals sign a document certifying that they believe the sale is in the best interest of the county: the county executive or the executive's designee; the county comptroller or comptroller's designee; and an individual who is a resident of the municipality where the property is located, who has been appointed, at least biennially, by the Executive Council for Milwaukee

County, as defined under current law, who has demonstrable experience in real estate law or real estate sales or development, and who is not an elective official. Require a copy of that document to be attached to the bill of sale and require a second copy of that document to be retained by the county. Authorize the county executive in a county with a population of 750,000 or more to have sole authority over the following administrative actions and specify that the actions may take effect without any review or approval of the county board: (1) procurement, including requests for proposals or information, negotiation, approval, amendment, execution, administration, and payment; (2) contracting, including negotiation, requests for proposals or information, approval, amendment, execution, administration, and payment; (3) administrative review of appeals of the denial in whole or in part of a contract award, an initial permit, license, right, privilege, or authority, except an alcohol beverage license, for which a person applies through the county; and (4) actions taken under the administrative manual of operating procedures related to the authority and powers granted to a county executive under state law and under county ordinances, and specify that the county executive's action shall prevail over the county board's action to the extent that the county executive's action and the county board's action conflict. Extend these limitations to a related provision under current law concerning persons seeking review by a local governing body of a determination of a local government. Prohibit the county board from enacting an ordinance or adopting a resolution or policy that conflicts or interferes in form or function with the statutory authority of a county executive.

Repeal the current law provisions and remove related language that require the board's Finance Committee to approve contracts of at least $100,000 but not more than $300,000 and the county board to approve any contract of more than $300,000 in a county with a population of 750,000 or more. In addition, create a provision specifying that the county board has no role in the review of public contracts and that public contracts take effect without the approval of the county board.

14. LIMITATION ON TOWN AND COUNTY CONDITIONAL USE AND INSURANCE REQUIREMENTS

Joint Finance: Prohibit any town or county from imposing requirements that are expressly preempted by federal or state law as conditions for approving a conditional use permit. In addition, prohibit any town or county from imposing insurance requirements on an operator of an interstate hazardous liquid pipeline if the pipeline operating company carries comprehensive general liability insurance coverage that includes coverage for sudden and accidental pollution liability.

15. MODIFICATIONS TO STATUTES GOVERNING CONDUIT REVENUE BONDS

Joint Finance: Make the following changes to current law governing the Public Finance Authority (PFA):

a. Specify that the PFA may adopt policies and procedures, in addition to bylaws as under current law, and may amend the bylaws, policies, and procedures;

b. Provide that PFA may own or operate property and may gift or otherwise transfer

property;

c. Provide that in addition to being able to employ or appoint agents, employees, finance professionals, and special advisors, PFA can employ counsel;

d. Provide that the PFA may purchase bonds issued by or on behalf of, or held by, a subunit of a political subdivision, as well as the federal government or a subunit of the federal government. In addition, clarify current law allowing bond purchases of any state to include a department, authority, or agency of such a state;

e. Authorize the PFA to create or cause to be created one or more nonprofit corporations of which it is the sole member or may appoint or veto appointments of the governing board, provided that the purpose of the nonprofit corporation is to carry out or assist PFA to carry out all or part of the purposes or powers of PFA. Provide that a nonprofit corporation established may be created under Chapter 181 or under the laws of any state or territory of the United States, and could exercise any power PFA may exercise. Specify that such a nonprofit corporation and the PFA could make loans to, borrow money from, and acquire or assign or transfer property to or from one another. Provide that such a nonprofit corporation would be subject to the same exemptions and immunities that apply to PFA. Provide that any nonprofit corporation established would be a legal entity separate and distinct from PFA, and its assets, liabilities and funds could neither be consolidated nor commingled with those PFA. Provide that PFA would not be held accountable for the actions, omissions, debts or liabilities of any nonprofit corporation nor would any nonprofit corporation be held accountable for the actions, omissions, debts or liabilities of PFA or any other nonprofit corporation established under this provision.

f. Modify current law references to the "face" of a bond, to instead refer to the "form" of the bond;

g. Provide that a bond resolution may provide that facsimile, electronic, or digital signatures of any person authorized to execute documents, including bonds, on behalf of PFA would be deemed the legal equivalent of a manual signature on specified documents or all documents and would be valid and binding for all purposes;

h. Modify current law relating to establishing an alternative to specifying the matters required to be specified in a bond resolution, to provide that PFA may delegate authority to the matters appropriate for inclusion, rather than which of the matters are included;

i. Delete a reference to "as provided in the resolution" from current law relating to early mandatory or optional redemption or tender;

j. Specify that current law relating to a trust agreement or indenture would apply to other agreements providing for issuance of the bonds, and allow the pledge or assignment of tangible or intangible collateral, including contractual rights;

k. Delete the current law requirement that PFA disclose to any person who purchases a tax exempt bond issued by PFA, that interest paid on the bond is exempt from taxation;

L. Specify that the property of PFA and related nonprofit corporations would be exempt

from property taxes. Specify that conveyances from PFA or a related nonprofit corporation would be exempt from real estate transfer taxes and that income of PFA and related nonprofit corporations would be exempt from the state income tax. Provide that related nonprofit corporations would be exempt from the sales tax;

m. Extend current law that exempts PFA board members from personal liability on the bonds, so that this exemption would apply to an officer, employee, or agent of PFA. Expand this exemption to also apply to any contract entered into by PFA, and provide that it would apply to the nonprofit corporation under (e) above;

n. Extend current law that specifies that the state and the political subdivisions who are parties to the agreement creating PFA are not liable for PFA bonds or contracts, to also apply to any political subdivision within or outside this state approving the issuance of bonds, and that liability would also not apply to bonds or contracts of the nonprofit corporation under (e) above;

o. Extend current law that specifies that the bonds of PFA are not a debt of the state and the political subdivisions who are parties to the agreement creating PFA to also apply to any political subdivision within or outside this state approving the issuance of bonds. Specify that all bonds contain a statement to this effect, but eliminate the current requirement that it be on the face of the bonds;

p. Delete a current law requirement that PFA have debt covenants audited at least every two years;

q. Provide that projects not located in this state related to the PFA could not be considered public projects of this state and would not be subject to state law governing public projects;

r. Delete current law that prohibits PFA from issuing bonds to finance a capital project in Wisconsin unless all of the political subdivisions within whose boundaries the project is to be located approve. Instead, the bonds could be issued if one of those political subdivisions approves, which is the level or approval required for PFA bonding in other states. Specify that an approval could be made by the governing board of a political subdivision or its designee, or, except for a first class city in this state or the county it is located in, by the highest ranking elected official of the political subdivision, or his or her designee. As an alternative to approval by a political subdivision, except for a first class city in this state, or a county in which a first class city is located, PFA could approve the financing in accordance with the IRC code relating to other requirements for private activity bonds. In addition, specify that bonds issued by PFA would not be deemed to finance the construction or improvement of a capital improvement project if the proceeds of those bonds are used to finance a project placed in service for federal tax purposes prior to the issuance of such bonds or to finance the acquisition of bonds of a different issuer and those bonds are or were used to finance a capital improvement project or to acquire leases, installment sale, or other contracts from a third party provider of capital improvement projects, or to finance the acquisition of a project if no more than 10% of the bond proceeds are used to finance the construction of capital improvements;

s. Modify current law governing projects located outside of the United States or its territories, to allow a participant, as well as a borrower, to be organized under the laws of the U.S.,

rather than be incorporated in the U.S. Delete a current law provision that specifies that to the extent current law applies to a borrower, it also applies to a participant if the participant is a nongovernmental entity.

t. Modify current law specifying that any action challenging bond issuance by PFA must be filed in circuit court within 30 days of PFA adopting the authorizing resolution for the bonds, to add the phrase: "or be barred". Specify that current law that generally governs the validity of municipal obligations would not apply to PFA.

u. Authorize eminent domain to a commission created by contract under current law governing intergovernmental cooperation among Wisconsin entities that are acting under the provision of the PFA statute. Under current law, this provision applies to municipal interstate cooperation.

GOVERNMENT ACCOUNTABILITY BOARD

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$5,672,400	$5,829,700	$5,829,700	$0	0.0%	$157,300	2.8%
FED	6,575,200	6,334,400	6,334,400	0	0.0	- 240,800	- 3.7
PR	1,032,000	1,117,700	1,117,700	0	0.0	85,700	8.3
SEG	200	200	200	0	0.0	0	0.0
TOTAL	$13,279,800	$13,282,000	$13,282,000	$0	0.0%	$2,200	0.0%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	19.30	12.80	14.30	1.50	- 5.00
FED	26.00	22.00	22.00	0.00	- 4.00
PR	3.45	2.95	3.45	0.50	0.00
TOTAL	48.75	37.75	39.75	2.00	- 9.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$157,300	- 5.00
FED	- 3,028,400	- 26.00
PR	85,700	0.00
Total	- $2,785,400	- 31.00

Governor/Joint Finance: Provide standard budget adjustments to the base totaling $73,000 GPR and -5.0 GPR positions, -$1,362,100 FED and -26.0 FED positions, and $42,200 PR in 2015-16 and $84,300 GPR and -5.0 GPR positions, -$1,666,300 FED and -26.0 FED positions, and $43,500 PR in 2016-17. Adjustments are for: (a) removal of non-continuing elements from the base (-5.0 GPR positions, -$1,520,900 FED and -26.0 FED positions in 2015-16 and -5.0 GPR positions, -$1,829,200 FED and -26.0 FED positions in 2016-17); (b) full funding of continuing position salaries and fringe benefits ($52,200 GPR, $129,300 FED, and $24,800 PR annually); (c) reclassifications and semi-automatic pay progression ($34,500 GPR in 2015-16 and $42,600 GPR in 2016-17); and (d) full funding of lease and directed moves costs (-$13,700 GPR, $29,500 FED, and $17,400 in 2015-16 and -$10,500 GPR, $33,600 FED, and $18,700 PR in 2016-17).

2. FEDERAL ELECTIONS DIVISION POSITIONS

	Funding	Positions
FED	$2,787,600	22.00

Governor/Joint Finance: Provide $1,393,800 and 22.0 positions annually for administration of elections to replace federal project positions that expire on June 30, 2015. The positions would be funded from remaining Help America Vote Act funds, the use of which is restricted to certain election-related tasks. The positions would serve in the following roles: (a) statewide voter registration system staff (11.0 positions); (b) elections administration (5.0 positions); (c) help desk staff (3.0 positions); (d) training administration (2.0 positions); and (e) legal support (1.0 position). The Executive Budget Book indicates that the permanent positions would have an end date of June 30, 2017.

3. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	- 1.50	1.50	0.00
PR	- 0.50	0.50	0.00
Total	- 2.00	2.00	0.00

Governor: Delete 2.0 positions annually from the following appropriations of the Board, for a shared agency services pilot program under the Department of Administration (DOA): (a) administration of elections, ethics, and lobbying laws general program operations (1.5 GPR positions); and (b) lobbying administration (0.5 PR positions). Funding associated with the positions ($88,600 GPR and $39,700 PR annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

4. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

Governor: Require that all information technology services for the Board be provided by the Department of Administration (DOA).

On the effective date of the bill, specify that the assets and liabilities of the Board related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal

property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred to DOA under the provision.

The Board maintains several systems and Internet websites which could be considered related to information technology, including: (a) the campaign finance information system (a web-based reporting system that allows candidates and other political committees to report contributions and expenses, allows staff to audit those statutorily required reports, and allows the public access to view the information); (b) the statewide voter registration system (an election management system used by state and local election officials to process and update voter registration files, share data with other agencies while registering voters to detect potential voter fraud, create and print updated poll books, complete and document various election administration tasks, and track information about candidates and absentee ballots); (c) customer relationship management applications adapted to perform statutory duties such as matching data with the Department of Corrections, conducting audits of felons who have voted, tracking the status of provisional ballots and outstanding absentee ballots, and conducting post-election voter record maintenance of registered voters who have not voted in the past four years; (d) a website that permits electors to initiate a new voter registration and provides the general public with access to information about their personal voter registration and voting history, local polling place and clerk contact information, offices on their ballot at upcoming elections, and allows military and overseas voters to request and receive their ballot electronically; (e) the canvass reporting system (a web-based database which is used by county clerks to report election results to the Board); (f) the Wisconsin Electronic Data Collection System, through which clerks submit election statistics and costs of conducting elections to the Board electronically; (g) a web-based application through which users may request, purchase, and download voter registration and election participation data from the statewide voter registration system; (h) an application that tracks accessibility audits of polling places and provides a web-based portal through which local clerks may view and process audit findings related to their local polling places; (i) a web-based reporting system that allows lobbyists and lobbying principals to submit statutorily required reports, allows these reports to be publicly viewable, and allows staff to conduct audits; (j) a website that permits the general public to view financial relationships with specific businesses or organizations that are reported by state public officials; and (k) a website that provides the general public with access to information about every state contract, purchase, and solicitation of bids or proposals that involves a biennial expenditure of $10,000 or more.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

5. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Board lapse $40,200 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

GOVERNOR

Budget Summary							
				Joint Finance Change to:			
				Governor		Base	
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Amount	Percent	Amount	Percent
GPR	$7,577,600	$7,953,000	$7,953,000	$0	0.0%	$375,400	5.0%

FTE Position Summary					
				Joint Finance Change to:	
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Governor	2014-15 Base
GPR	37.25	37.25	37.25	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$422,600

Governor/Joint Finance: Provide adjustments to the base budget totaling $211,300 annually in the 2015-17 biennium for full funding of continuing position salaries and fringe benefits.

2. TRANSFER READ TO LEAD GRANT PROGRAM TO CHILDREN AND FAMILIES [LFB Paper 340]

GPR	- $47,200

Governor: Delete $23,600 annually in literacy improvement grant funding under the Office of the Governor. Transfer funding and the associated GPR annual literacy improvement aids appropriation to the Department of Children and Families (DCF). Instead of the Governor, provide that the Secretary of DCF would award grant funding to any person other than a school board for support of a literacy improvement program.

Rename the Governor's Read to Lead Development Fund, a segregated fund consisting of all gifts, grants, bequests, and other contributions made to the fund, the Read to Lead Development Fund. Transfer the SEG sum sufficient grants for literacy and early childhood development programs appropriation from the Governor to DCF. From this appropriation grants

may be made from the Read to Lead Development Fund to support literacy and early childhood development programs. Instead of the Governor, provide that the Secretary of DCF would award this grant funding to any person other than a school board for support of a literacy or early childhood development program.

Transfer the Read to Lead Development Council from the Office to DCF. Instead of the Governor, provide that the Secretary of DCF, or his or her designee, would serve as Chairperson of the Council. Further, provide that instead of the Governor, the Secretary of DCF would appoint the following Members of the Council to three-year terms: (a) two practicing elementary and secondary education teachers or principals; (b) one practicing preschool teacher; (c) three persons representing this state's philanthropic community; (d) three persons representing this state's business community; (e) one person representing the Wisconsin State Reading Association; (f) one person representing the Wisconsin Reading Coalition; (g) one person representing the International Dyslexia Association; (h) one person representing Wisconsin Literacy, Inc.; (i) one person representing the Wisconsin Library Association; (j) one person representing this state's research community; and (k) one person representing an organization that has as its mission service to children with various types of disabilities.

Instead of the Governor and the State Superintendent of Public Instruction, specify that the Read to Lead Development Council would make recommendations to the Secretary of DCF and the State Superintendent as to grants funded under the two appropriations identified above, as well as under the Department of Public Instruction's (DPI) SEG sum sufficient grants for literacy and early childhood development programs. The DPI SEG sum sufficient appropriation is also funded from amounts provided by the Read to Lead Development Fund. While under current law the Governor and the State Superintendent jointly determine grant awards made under all three appropriations, under the bill these grant awards would be jointly determined by the Secretary of DCF and the State Superintendent.

Under the bill, the current gubernatorial appointees to the Read to Lead Development Council would become the appointees of the DCF Secretary. In addition, the bill would provide that the Secretary of DCF or his or her designee, instead of the Governor or his or her designee, would serve as Chairperson of the Council. The remaining members of the Read to Lead Development Council under current law would remain Council members under the bill: (a) the State Superintendent of Public Instruction or his or her designee, who would serve as Vice-Chair of the Council; (b) the Chairpersons of the Committees in the Assembly and the Senate whose subject matter is elementary and secondary education or Members of those Committees designated by those Chairpersons; and (c) the ranking minority Members of the Committees under (b) or Members of those Committees designated by the ranking minority Members.

Joint Finance: Delete the Governor's Read to Lead Development Fund and its two associated SEG sum sufficient appropriations, effective June 30, 2017. Amend the GPR annual literacy improvement appropriation and associated statutory language to provide that grants may be made from the appropriation to any person or school board for support of a literacy or early childhood development program. Provide that grants could be made from the GPR appropriation to a school board upon consultation with the State Superintendent of Public Instruction.

3. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

Governor: Require that all information technology services for the Office of the Governor be provided by the Department of Administration (DOA).

On the effective date of the bill, specify that the assets and liabilities of the Office related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred to DOA under the provision.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

4. STANDARDS DEVELOPMENT COUNCIL

Joint Finance: Delete the Standards Development Council which periodically reviews and makes recommendations to the Governor regarding student academic standards in mathematics, science, reading and writing, geography and history. If the Governor approves the academic standards, he or she may issue the approved standards as an executive order.

HEALTH SERVICES

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$6,731,858,200	$7,394,596,200	$7,390,121,900	- $4,474,300	- 0.1%	$658,263,700	9.8%
FED	10,583,392,000	11,624,989,400	11,664,507,100	39,517,700	0.3	1,081,115,100	10.2
PR	1,927,108,200	2,153,278,200	2,291,807,000	138,528,800	6.4	364,698,800	18.9
SEG	1,619,351,600	1,517,496,800	1,558,395,900	40,899,100	2.7	- 60,955,700	- 3.8
TOTAL	$20,861,710,000	$22,690,360,600	$22,904,831,900	$214,471,300	0.9%	$2,043,121,900	9.8%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	2,624.91	2,545.73	2,536.63	- 9.10	- 88.28
FED	1,254.29	1,217.71	1,208.31	- 9.40	- 45.98
PR	2,313.85	2,355.61	2,357.61	2.00	43.76
SEG	2.00	2.00	2.00	0.00	0.00
TOTAL	6,195.05	6,121.05	6,104.55	- 16.50	- 90.50

Budget Change Items

Medical Assistance -- General

OVERVIEW OF MEDICAL ASSISTANCE (MA) AND RELATED PROGRAMS

The Department of Health Services (DHS) administers multiple health and human service programs. The largest of these is the state's medical assistance (MA) program that provides acute medical and long-term care services to eligible individuals. MA includes BadgerCare Plus for low-income individuals and families, and Medicaid coverage for elderly, blind and disabled (EBD) individuals, and various related programs. This item presents an overview of the budget for MA and related programs, excluding SeniorCare, as recommended by the Joint Finance Committee.

The table on the following page shows base funding for the program, estimates of the

amounts that will be needed to fund MA benefits in the 2015-17 biennium without any program changes (the program's "cost-to-continue"), and funding changes associated with program changes in the substitute amendment, by state fiscal year and fund source. MA is supported by state general purpose revenue (GPR), federal matching funds (FED), three segregated (SEG) funds (the MA trust fund, the hospital assessment trust fund, and the critical access hospital assessment trust fund), and various sources of program revenue (PR), such as drug manufacturer rebates.

The SEG amounts in this table are adjusted to correct a "double-count" that occurs when funds are transferred to the MA trust fund from the hospital and critical access hospital trust funds. The unadjusted SEG base funding is $809,347,200 SEG, which includes double-counted amounts of $145,219,800 SEG from the hospital assessment trust fund and $1,859,300 SEG from the critical access hospital assessment fund. The SEG cost-to-continue lines in this table include the amount shown in the MA cost-to-continue item, and an adjustment to account for the interaction between this SEG double count and changes in the MA federal matching rate.

Summary of Medical Assistance Benefits

	GPR	FED	PR	SEG	Total
Base Funding	$2,517,510,500	$4,652,604,700	$580,166,900	$662,268,100	$8,412,550,200
			2015-16		
Cost-to-Continue	$251,656,900	$451,186,800	$121,579,400	-$35,912,600	$788,510,500
Program Changes in Bill					
Children's Long-Term Services - Reduce Waitlists	$370,100	$516,200	$0	$0	$886,300
Nursing Home Bed Assessment Exemption	320,300	0	0	-320,300	0
Dental Services Pilot Program	0	0	0	0	0
Disproportionate Share Hospital Payments	15,000,000	20,910,900	0	0	35,910,900
Family Care, IRIS and ADRC Changes	0	0	0	0	0
Federally-Qualified Health Centers Reimbursement	0	0	0	0	0
Funeral and Cemetery Aids - Estate Recovery	0	0	0	0	0
Licensed Midwife Reimbursement	-73,000	-101,800	0	0	-174,800
Mental Health Program Consolidation	-3,744,300	0	0	0	-3,744,300
Nursing Home Rate Increase for Acuity	0	0	0	0	0
Personal Care Independent Assessments	-3,546,900	-4,927,000	0	0	-8,473,900
Promissory Notes Counted as Resources	-100,000	-150,000	0	0	-250,000
Residential Substance Abuse Services	0	0	0	0	0
UW System Intergovernmental Transfer	-5,000,000	5,263,200	3,779,000	5,000,000	9,042,200
Subtotal	$3,226,200	$21,511,500	$3,779,000	$4,679,700	$33,196,400
Adjustment for SEG Double Count				-$13,091,800	
Total MA Benefits Funding	$2,772,393,600	$5,125,303,000	$705,525,300	$617,943,400	$9,221,165,300
Change to Base					
Amount	$254,883,100	$472,698,300	$125,358,400	-$44,324,700	$808,615,100
Percent	10.1%	10.2%	21.6%	-6.7%	9.8%
			2016-17		
Cost-to-Continue	$397,237,600	$492,013,800	$186,422,700	-$34,380,300	$1,041,293,800
Program Changes in Bill					
Allocation of School-Based Services	$382,000	$530,900	$0	$0	$912,900
Bed Assessment Exemption	320,300	0	0	-320,300	0
Dental Services Pilot Program	5,430,000	8,350,000	0	0	13,780,000
Disproportionate Share Hospital Payments	15,000,000	20,842,300	0	0	35,842,300
Family Care, IRIS and ADRC Changes	-6,000,000	-8,336,900	0	0	-14,336,900
Federally-Qualified Health Center Reimbursement	-3,434,900	-5,548,000	0	0	-8,982,900
Funeral and Cemetery Aids	168,100	242,000	-410,000	0	100
Licensed Midwife Reimbursement	-219,400	-304,900	0	0	-524,300
Mental Health Program Consolidation	-7,488,500	0	0	0	-7,488,500
Nursing Home Acuity Increase	3,186,300	4,431,100	0	0	7,617,400
Personal Care Independent Assessments	-8,073,100	-11,141,200	0	0	-19,214,300
Promissory Notes Counted as Resources	-200,000	-300,000	0	0	-500,000
Residential Substance Abuse Services	2,154,500	3,231,800	0	0	5,386,300
UW System Intergovernmental Transfer	-5,000,000	5,263,200	3,789,700	5,000,000	9,052,900
Subtotal	-$3,774,700	$17,260,300	$3,379,700	$4,679,700	$21,545,000
Adjustment for SEG Double Count				-$17,273,100	
Total MA Benefits Funding	$2,910,973,400	$5,161,878,800	$769,969,300	$615,294,400	$9,458,115,900
Change to Base					
Amount	$393,462,900	$509,274,100	$189,802,400	-$46,973,700	$1,045,565,700
Percent	15.6%	10.9%	32.7%	-7.1%	12.4%
Change to 2015-16					
Amount	$138,579,800	$36,575,800	$64,444,000	-$2,649,000	$236,950,600
Percent	5.0%	0.7%	9.1%	-0.4%	2.6%

The following table shows total base and cost-to-continue funding for MA benefits for the 2015-17 biennium, by purpose or source, and the funding associated with other programmatic changes in the bill.

MA Benefits Funding, By Purpose or Source

	2015-16				
	GPR	FED	PR	SEG	Total
Specific Populations - Base Funding and Cost-to-Continue					
Fee-for-Service EBD MA and IRIS	$857,931,500	$2,108,774,900	$0	$0	$2,966,706,400
Parents, Children, and Pregnant Women	671,807,600	1,082,520,100	0	0	1,754,327,700
Childless Adults	340,630,200	475,037,300	0	0	815,667,500
Foster Children	34,281,300	47,808,200	0	0	82,089,500
Family Planning Only Services Recipients	2,429,600	13,768,000	0	0	16,197,600
Well Woman MA Program	1,694,200	12,444,800	0	0	14,139,000
Children with Severe Emotional Disturbances	1,273,500	0	0	0	1,273,500
Specific Services - Base and Cost-to-Continue					
Family Care	$622,787,800	$928,668,300	$43,122,900	$0	$1,594,579,000
Long-Term Care "Legacy Waivers"	229,099,200	234,376,000	0	0	463,475,200
Federal Payments for Locally Matched Services	0	200,393,900	0	0	200,393,900
Community Options Program	28,732,500	0	0	0	28,732,500
Specific Services - Base and Cost-to-Continue					
Drug Manufacturer Rebates, Refunds, Collections	$0	$0	$526,253,800	$0	$526,253,800
Hospital Assessment Trust Fund	0	0	0	414,507,300	414,507,300
MA Trust Fund	0	0	0	351,441,900	351,441,900
Payment Recoveries	0	0	99,850,500	0	99,850,500
Revenues Transferred from UW System	0	0	17,319,100	0	17,319,100
Enrollee Premium Payments	0	0	15,200,000	0	15,200,000
Critical Access Hospital Trust Fund	0	0	0	7,485,400	7,485,400
Adjustment for Drug Settlement Revenues	-21,500,000	0	0	0	-21,500,000
Adjustment for SEG Double Count	0	0	0	-160,170,900	-160,170,900
Subtotal, Base and Cost-to-Continue	$2,769,167,400	$5,103,791,500	$701,746,300	$613,263,700	$9,187,968,900
Other Programmatic Changes in Bill	$3,226,200	$21,511,500	$3,779,000	$4,679,700	$33,196,400
Total	$2,772,393,600	$5,125,303,000	$705,525,300	$617,943,400	$9,221,165,300

	2016-17				
	GPR	FED	PR	SEG	Total
Specific Populations - Base Funding and Cost-to-Continue					
Parents, Children, and Pregnant Women	$690,600,800	$1,040,182,800	$0	$0	$1,730,783,600
Fee-for-Service EBD MA and IRIS	874,788,000	1,976,010,100	0	0	2,850,798,100
Childless Adults	363,070,000	504,648,800	0	0	867,718,800
Foster Children	36,391,000	50,581,600	0	0	86,972,600
Family Planning Only Services Recipients	2,471,400	14,004,400	0	0	16,475,800
Hospital Diversion - Children with Severe Emotional Disturbances	1,273,500	0	0	0	1,273,500
Well Woman MA Program	921,600	12,897,700	0	0	13,819,300
Specific Services - Base and CTC					
Family Care	$668,386,700	$988,331,200	$42,669,000	$0	$1,699,386,900
Long-term Care "Legacy Waivers"	248,913,300	350,581,200	0	0	599,494,500
Federal Payments for Locally Matched Services	0	207,380,700	0	0	207,380,700
Community Options Program	27,931,800	0	0	0	27,931,800
Specific Services - Base and CTC					
Drug Manufacturer Rebates, Refunds, Collections	$0	$0	$613,033,000	$0	$613,033,000
Enrollee Premium Payments	0	0	15,200,000	0	15,200,000
Payment Recoveries	0	0	78,350,500	0	78,350,500
Revenues Transferred from UW System	0	0	17,337,100	0	17,337,100
Hospital Assessment Trust Fund	0	0	0	414,507,300	414,507,300
Critical Access Hospital Trust Fund	0	0	0	6,922,200	6,922,200
MA Trust Fund	0	0	0	353,537,400	353,537,400
Adjustment for SEG Double Count	0	0	0	-164,352,200	-164,352,200
Subtotal, Base and CTC	$2,914,748,100	$5,144,618,500	$766,589,600	$610,614,700	$9,436,570,900
Other Program Changes in Bill	-$3,774,700	$17,260,300	$3,379,700	$4,679,700	$21,545,000
Total	$2,910,973,400	$5,161,878,800	$769,969,300	$615,294,400	$9,458,115,900

The current budgeting categories for MA benefits include payments for services to certain groups of MA recipients, payments for specific purposes, and payments to support benefits costs from certain program revenue and segregated revenue sources. The other program changes outside of the cost-to-continue were not allocated by these budgeting categories, and are shown as a separate line in the previous table (shown as "Other Programmatic Changes in Bill"). Any expenditures associated with those changes during the 2015-17 biennium will be made from the appropriate category.

The following table shows actual and projected average monthly enrollment by major eligibility group. Individuals enrolled in Family Care and other home and community-based waiver programs are included in the "Elderly" and "Disabled" enrollment totals. The table understates the number of elderly individuals participating in MA because the Department's eligibility reports classify some individuals who are both elderly and disabled as "Disabled" to avoid duplication.

Actual and Projected Average Monthly Enrollment, by Fiscal Year

	Actual			Projected		
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
BadgerCare Plus						
Children	477,300	479,400	478,700	469,900	471,200	475,900
Parents and Caretakers	264,000	251,500	229,200	178,900	177,800	177,700
Childless Adults	21,000	20,700	21,200	146,800	159,800	162,100
Pregnant Women	28,800	20,300	39,000	20,900	20,800	21,000
Total BadgerCare Plus	791,100	771,900	768,100	816,500	829,600	836,700
% Change		-2.4%	-0.5%	6.3%	1.6%	0.9%
Elderly, Blind and Disabled (EBD)						
Elderly	36,900	35,900	35,000	33,900	32,000	30,900
Disabled						
MA Only	90,800	93,300	94,000	93,300	94,200	95,100
MA/Medicare Dual Eligibles	85,800	89,300	93,400	96,700	99,200	102,200
Subtotal, Disabled	176,600	182,600	187,400	190,000	193,400	197,300
Total EBD	213,500	218,500	222,400	223,900	225,400	228,200
% Change		2.3%	1.8%	0.7%	0.7%	1.2%
Other Groups						
Family Planning Only Services	67,300	72,900	69,800	45,300	38,900	39,300
Limited Benefit Medicare Beneficiaries	19,600	20,400	21,500	22,000	22,500	23,300
Foster Children	17,300	17,800	16,700	17,700	18,000	18,200
Well Woman MA	900	1,000	900	800	800	800
Basic Plan	3,000	1,600	800	0	0	0
Total Other	108,100	113,700	109,700	85,800	80,200	81,600
% Change		5.2%	-3.5%	-21.8%	-6.5%	1.7%
Total MA Enrollment	1,112,700	1,104,100	1,100,200	1,126,200	1,135,200	1,146,500
% Change		-0.8%	-0.4%	2.4%	0.8%	1.0%

The following table shows actual and projected SEG revenues to the MA trust fund under

the bill, which are used to offset GPR in the program. The revenue amounts shown for the hospital assessment and the critical access hospital assessment reflect the amounts deposited to the MA trust fund from these sources, not the total revenue the state collects from these assessments. This includes the effect of cost-to-continue and other programmatic changes.

Actual and Projected Medical Assistance Trust Fund Revenues
Fiscal Years 2012-13 through 2016-17

	Actual		Projected		
	2012-13	2013-14	2014-15	2015-16	2016-17
Provider Assessments					
Hospital Assessment*	$152,291,900	$151,180,300	$145,219,800	$158,277,800	$162,600,500
Nursing Home/ICF-ID Bed Assessment**	78,464,700	76,512,500	74,109,500	71,231,100	69,145,300
Ambulatory Surgical Center Assessment**	16,624,300	16,616,600	16,600,000	16,600,000	16,600,000
Critical Access Hospital Assessment*	0	2,548,200	1,859,300	1,893,100	1,751,700
Subtotal	$247,380,900	$246,857,600	$237,788,600	$248,002,000	$250,097,500
Federal MA Funds Deposited to MA Trust Fund					
Nursing Home Certified Public Expenditure Program	$47,725,500	$24,705,600	$32,131,500	$35,134,200	$35,134,200
Intergovernmental Transfer From UW System	7,331,400	15,955,100	14,419,200	17,685,300	17,685,300
Hospital Certified Public Expenditure Program	5,500,000	8,000,000	5,400,000	5,400,000	5,400,000
HealthCheck-Eligible Services Provided by Residential Care Centers	6,162,500	5,178,000	7,800,000	0	0
Subtotal	$66,719,400	$53,838,700	$59,750,700	$58,219,500	$58,219,500
Other					
Transfer from Permanent Endowment Fund	$50,000,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000
Interest Paid to the General Fund	-54,200	-32,300	-$100,000	-$100,000	-$100,000
Total Revenue	**$364,046,100**	**$350,664,000**	**$347,439,300**	**$356,121,500**	**$358,217,000**

*Deposited in separate trust fund and then transferred to MATF.
**Deposited directly in MATF.

1. MA COST-TO-CONTINUE [LFB Paper 345]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$647,601,300	$2,344,200	$649,945,500
FED	913,349,100	29,851,500	943,200,600
PR	228,298,200	79,703,900	308,002,100
SEG	- 111,832,600	41,539,700	- 70,292,900
Total	$1,677,416,000	$153,439,300	$1,830,855,300

Governor: Provide $650,241,200 ($263,042,700 GPR, $356,232,900 FED, $85,233,100 PR, and -$54,267,500 SEG) in 2015-16 and $1,027,174,800 ($384,558,600 GPR, $557,116,200 FED, $143,065,100 PR, and -$57,565,100 SEG) in 2016-17 to fund projected costs of MA program benefits during the 2015-17 biennium. The funding increase is based on the administration's projections of program caseload growth, changes in the mix of services enrollees

use and the costs of providing those services (referred to as changes in service use "intensity"), and other funding changes over the remainder of state fiscal year 2014-15 and the 2015-17 biennium. It does not include programmatic changes summarized under other items.

This item includes $518,700 GPR in 2015-16 and $532,300 GPR in 2016-17 for adult protective services associated with the expansion of Family Care that this office does not normally include when presenting MA program benefits. The cost-to-continue line in the first table of the previous item does not include these GPR amounts, and adjusts the SEG amount to account for the double-counted transfers to the MA trust fund.

Joint Finance: Increase funding in the bill by $138,787,800 (-$10,867,200 GPR, $94,953,900 FED, $36,346,200 PR, and $18,354,900 SEG) in 2015-16, and $14,651,500 ($13,211,400 GPR, -$65,102,400 FED, $43,357,700 PR, and $23,184,800 SEG) in 2016-17. This reestimate reflects updated estimates of MA benefits costs in the 2015-17 biennium, and the budgeting of unexpended drug settlement funds (projected to equal $21,500,000 PR at the end of 2014-15) in the Medicaid program in 2015-16 to supplant GPR funding.

Factors Contributing to GPR Cost-to-Continue. After action by the Joint Finance Committee, the bill would increase MA benefits funding by $649.9 million GPR to fully fund the program's cost-to-continue in the 2015-17 biennium. The following tables present two ways of considering this change to base funding.

The first table shows the cost-to-continue separated by GPR program expenditure category, including changes allocated to major eligibility categories. These categories correspond to those shown in the second table of the previous item. The funding changes shown in this table represent the increase or decrease in the amounts budgeted in 2014-15 under 2013 Act 20, rather than change to actual expenditures in each category.

Biennial Cost-to-Continue GPR Funding
By Expenditure Category
($ in Millions)

	Biennial Amount
Childless Adults	$361.6
Parents, Children and Pregnant Women	236.3
Family Care	54.7
EBD Medicaid and IRIS - Fee-for-Service	31.8
Long-Term Care "Legacy Waivers"	19.7
Community Options Program - Family Care	11.7
Foster Children	7.9
Family Planning Only Services Recipients	4.8
Adult Protective Services	1.1
Well Woman MA Program	-7.9
Community Options Program - Counties	-11.7
Drug Settlement Revenues	-21.5
Wisconsin Medicaid Cost Reporting	-38.5
Total	$649.9

The reduction in Well Woman MA GPR expenditures is due to an increase in the federal matching rate for that program, which increases available federal funds to offset GPR expenditures. The bill would make no programmatic changes to the Well Woman MA program.

The following table presents the $649.9 million GPR cost-to-continue, by the factors contributing to that increase. These factors include the following: (a) caseload growth above 2013 Act 20 estimates; (b) increases in managed care and fee-for-service intensity; (c) increases in "clawback" payments to the federal government under a federal formula to partially finance Medicare Part D; (d) decreases in federal matching funds due to reductions in the state's formula-based federal medical assistance percentage (FMAP); (e) additional costs associated with the excise tax on health maintenance organizations (HMOs) in the federal Patient Protection and Affordable Care Act; (f) decreases in projected SEG revenues to the MA trust fund that offset GPR spending; (g) full funding of the state's costs of providing the comprehensive community services (CCS) mental health benefit; (h) fully funding the cost of services provided by federally-qualified health centers (FQHCs); (i) increases in Medicare premiums paid by the MA program on behalf of dually-eligible individuals; (j) increases in costs for Care4Kids, a managed care program to coordinate care for foster children; (k) increases associated with non-emergency medical transportation; (l) savings associated with the expansion of Family Care to seven counties in northeastern Wisconsin; (m) available funds paid by drug manufacturers for settlement of lawsuits alleging improper charges for MA-covered prescription drugs; and (n) other factors.

Factors Contributing to GPR Increase
($ in Millions)

	Biennial Amount
Caseload Growth	$138.6
Managed Care Intensity	99.5
Prescription Drug Intensity	93.3
Fee-for-Service Intensity (Not including Drugs)	86.8
"Clawback" Payments to the Federal Government	68.2
FMAP Decrease	30.5
HMO Excise Tax Reimbursement	30.4
SEG Revenue Decrease	30.0
Full Funding of CCS	26.0
FQHC Reimbursement	16.1
Medicare Premiums	12.5
Care4Kids	5.6
Transportation Broker Costs	1.7
Expansion of Family Care to Northeast Wisconsin	-3.7
Drug Settlement revenues	-21.5
Other	35.9
Total	$649.9

The Committee budgeted $21.5 million PR in drug settlement revenues, which offsets GPR expenditures. Through April, 2015, DHS had received $73.4 million in payments from drug

manufacturers to the state to settle lawsuits that alleged improper charges for Medicaid prescription drugs. The Department currently projected that it would need to use approximately $51.9 million of those funds to enable the Medicaid GPR budget to end the 2013-15 biennium in balance. In the absence of this one-time revenue, the GPR cost-to-continue for the 2015-17 biennium would have equaled $671.4 million.

2. SENIORCARE -- COST-TO-CONTINUE [LFB Paper 346]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,958,000	- $2,606,900	$3,351,100
FED	11,232,900	- 3,831,300	7,401,600
PR	35,125,400	- 6,480,300	28,645,100
Total	$52,316,300	- $12,918,500	$39,397,800

Governor: Provide $20,069,200 ($1,644,100 GPR, $4,221,500 FED, and $14,203,600 PR) in 2015-16 and $32,247,100 ($4,313,900 GPR, $7,011,400 FED, and $20,921,800 PR) in 2016-17 to fund the difference between base funding for SeniorCare benefits and the administration's estimates of projected costs to fully fund the program, without program changes, in the 2015-17 biennium. SeniorCare provides drug benefits for Wisconsin residents over the age of 65 who are not eligible for Medicaid drug benefits.

The program is supported with a combination of state funds (GPR), federal funds the state receives under an MA demonstration waiver (FED), and program revenue (PR) from rebate payments DHS collects from drug manufacturers. The program has four income eligibility categories, each with different requirements for deductibles and with different allocations of program costs among the fund sources.

The funding increase reflects the administration's assumptions for enrollment, distribution of enrollees among eligibility categories, cost per enrollee, federal matching percentages, and drug rebate revenue estimates. The administration projects that SeniorCare enrollment, absent any other changes to the program, would increase by 1% annually, and that the distribution of enrollees among the program's four eligibility categories would match the distribution of enrollees from the final month of 2013-14. Based on recent increases in average program costs, the average cost per enrollee is projected to increase by 10.3% annually from the 2013-14 actual cost over the three-year period from 2014-15 through 2016-17.

Although total SeniorCare expenditures are projected to increase over the three-year period under this item, the percentage of benefits costs funded by drug rebate revenue is expected to also increase, which would mitigate the impact on GPR and FED costs.

Joint Finance: Reduce funding by $5,097,900 (-$1,028,500 GPR, -$1,660,800 FED, and -$2,408,600 PR) in 2015-16 and by $7,820,600 (-$1,578,400 GPR, -$2,170,500 FED, and -$4,071,700 PR) in 2016-17 to reflect revised estimates for the state's federal matching percentage and program enrollment. The following table shows total funding for the 2015-17 biennium under the recommendations of the Joint Committee on Finance.

	Base Funding	Cost to Continue Estimate 2015-16	Cost to Continue Estimate 2016-17	Change to Base 2015-16	Change to Base 2016-17
GPR	$19,316,000	$19,931,600	$22,051,500	$615,600	$2,735,500
FED	16,694,700	19,255,400	21,535,600	2,560,700	4,840,900
PR	50,508,800	62,303,800	67,358,900	11,795,000	16,850,100
Total	$86,519,500	$101,490,800	$110,946,000	$14,971,300	$24,426,500

3. SENIORCARE -- REQUIRED MEDICARE PART D APPLICATION AND ENROLLMENT [LFB Paper 347]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $15,594,000	$15,594,000	$0
FED	- 15,594,000	15,594,000	0
PR	- 66,140,100	66,140,100	0
Total	- $97,328,100	$97,328,100	$0

Governor: Require SeniorCare enrollees, as a condition of program eligibility, to apply for, and if eligible, enroll in a Medicare Part D prescription drug plan, provided that the Secretary of the U.S. Department of Health and Human Services (HHS) approves this condition of eligibility for SeniorCare. Specify that a person who is already enrolled in SeniorCare on the effective date of the bill is not required to comply with this provision until January 1, 2016.

Reduce funding for the program by $32,442,700 (-$5,198,000 GPR, -$5,198,000 FED, and -$22,046,700 PR) in 2015-16 and $64,885,400 (-$10,396,000 GPR, -$10,396,000 FED, and -$44,093,400 PR) in 2016-17 to reflect this change. The estimated savings are based on an assumption that a portion of enrollees' drug costs that are currently paid by SeniorCare would instead be paid by Part D plans.

The state receives federal Medicaid matching funds for SeniorCare enrollees with household incomes below 200% of the federal poverty level, under conditions of a Medicaid waiver approved by HHS. This item would make the SeniorCare eligibility change contingent on the approval of the new Medicare Part D enrollment requirement in the state's waiver agreement.

Under Medicare Part D, a person who attains the age of 65 years old and who does not either enroll in a Part D prescription drug plan (including a Medicare Advantage plan that provides prescription drug coverage), or else have other "creditable coverage" for prescription drugs, incurs a premium penalty (a monthly add-on to the baseline premium) if he or she later purchases a Part D plan. Since SeniorCare is considered creditable coverage for the purpose of Medicare Part D, a SeniorCare enrollee does not currently need to also purchase a Part D plan to avoid future penalties. Under this item, all SeniorCare enrollees would be required to also purchase a Part D plan as a matter of state law.

Joint Finance: Delete provision.

4. DISPROPORTIONATE SHARE HOSPITAL PAYMENTS [LFB Paper 348]

GPR	$30,000,000
FED	41,753,200
Total	$71,753,200

Governor: Provide $35,910,900 ($15,000,000 GPR and $20,910,900 FED) in 2015-16 and $35,842,300 ($15,000,000 GPR and $20,842,300 FED) in 2016-17 to fund one-time disproportionate share hospital (DSH) payments in the 2015-17 biennium.

Direct the Department to distribute DSH payments according to a formula, as described below, if approved by the U.S. Department of Health and Human Services (HHS), or according to alternative formula negotiated with HHS, subject to approval by the Joint Committee on Finance under a 14-day passive review process.

Specify that a hospital may qualify for a DSH payment if it meets the following criteria: (a) it is located in Wisconsin; (b) it provides a wide array of services, including services provided through an emergency department; (c) the number of inpatient days for MA recipients at the hospital was at least 6% of total inpatient days at that hospital during the most recent year for which such information is available; and (d) it meets all applicable requirements under federal law relating to eligibility for DSH payments.

Require the Department, subject to federal approval, to distribute the total amount of DSH funding available in each year by utilizing a fee-for-service add-on percentage that increases as the hospital's percentage of MA recipient inpatient days increases, subject to a limit established so that at least one of the following is true: (a) no single hospital receives more than $2,500,000; and (b) the amount of the payment is in accordance with federal rules concerning the hospital-specific limit.

Specify that if the Department needs data to calculate the DSH payments other than data available from the Medicaid Management Information System, the fiscal survey data, or the federal Centers for Medicare and Medicaid Services public records, the Department shall collect the necessary data from hospitals.

Require DHS to seek any necessary federal approval for the DSH payment methodology described above, and to implement the methodology if such approval is received. In addition, in the event DHS negotiates a DSH payment methodology that differs from that described above, require DHS to submit the terms of that methodology to the Joint Committee on Finance for approval under a 14-day passive review process before DHS can implement that payment methodology.

The DSH payment requirement established under this item is similar, although not identical, to a requirement included in the 2013-15 biennial budget act. Although the amount of GPR funds provided for the payments would be the same ($15,000,000 annually), the total amount of the payments would be slightly lower, reflecting a lower anticipated federal medical assistance matching percentage (FMAP) received on the state funds. In addition, while the formula established for the 2013-15 biennium specified that the payment would increase at a 0.75 proportionate rate with the MA inpatient day percentage, the bill would specify only that the add-on percentage used for the 2015-17 biennial distribution must increase as the MA inpatient

day percentage increases, without establishing a specific coefficient.

Joint Finance: Specify that payments are to be made annually on an ongoing basis. Require the Department to make total payments equal to the sum of $15,000,000 GPR and the amount of federal matching funds received on the GPR funds.

In addition, make the following changes at the request of the administration: (a) modify the provision pertaining to the two conditions for the maximum payment received by a hospital (no more than $2,500,000 or in accordance with federal rules concerning the hospital-specific limit), to specify that the payment maximum must meet both conditions, instead of either condition; and (b) delete language describing the payments as "an addition to the supplemental funding" on the grounds that DSH payments are considered a hospital supplemental payment, rather than an addition to supplemental payments.

5. REIMBURSEMENT RATES FOR FEDERALLY QUALIFIED HEALTH CENTERS [LFB Paper 349]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $9,912,300	$6,477,400	- $3,434,900
FED	- 14,868,500	9,320,500	- 5,548,000
Total	- $24,780,800	$15,797,900	- $8,982,900

Governor: Reduce funding for MA benefits by $7,245,800 (-$2,898,300 GPR and -$4,347,500 FED) in 2015-16 and $17,535,000 (-$7,014,000 GPR and -$10,521,000 FED) in 2016-17 to reflect the administration's estimates of cost savings that would result by reimbursing federally-qualified health centers (FQHCs) for services they provide to MA recipients at the federal prospective payment system (PPS) rate, rather than at each FQHC's "reasonable cost." DHS estimates that the MA program will expend approximately $159.5 million (all funds) to reimburse FQHCs for MA-eligible services in 2014-15.

Federal law requires that state MA programs reimburse FQHCs for services they provide to MA recipients, at a minimum, at the PPS rate. The PPS rate is specific to each FQHC, and equals the per-visit cost at an FQHC in 2000, adjusted in subsequent years by a measure of medical cost inflation and any changes in that FQHC's scope of services. States may choose an alternate payment method, and Wisconsin currently reimburses FQHCs at 100% of their costs.

The administration plans a transition to the PPS payment structure over a three-year period. This will effectively reduce each FQHC's reimbursement rate by an amount equal to one-third of the difference between their reasonable cost and their PPS rate in each of state fiscal years 2015-16, 2016-17, and 2017-18.

Joint Finance: Require DHS to do all of the following: (a) reimburse FQHCs, for services provided prior to July 1, 2016, under the methodology in effect on January 1, 2015; (b) reimburse FQHCs for services provided on or after July 1, 2016, at a payment system based on the Medicaid PPS, with a three-year phase-in for new rates (effective for fiscal years 2016-17,

2017-18, and 2018-19); and (c) consult with FQHCs as it develops this system. Increase MA benefits funding by $7,245,800 ($2,898,300 GPR and $4,347,500 FED) in 2015-16, and $8,552,100 ($3,579,100 GPR and $4,973,000 FED) in 2016-17 to reflect the one-year delay of implementation of the PPS system.

6. INDEPENDENT ASSESSMENT REQUIREMENT FOR PERSONAL CARE SERVICES [LFB Paper 350]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $7,550,100	0.50	- $1,000,000	0.00	- $8,550,100	0.50
FED	- 11,998,300	0.50	- 1,000,000	0.00	- 12,998,300	0.50
Total	- $19,548,400	1.00	- $2,000,000	0.00	- $21,548,400	1.00

Governor: Reduce funding by $4,412,700 (-$1,516,300 GPR and -$2,896,400 FED) in 2015-16 and by $15,135,700 (-$6,033,800 GPR and -$9,101,900 FED) in 2016-17 and provide 1.0 position (0.5 GPR position and 0.5 FED position), beginning in 2015-16, to reflect the administration's estimate of net savings that would result by requiring, prior to an MA recipient receiving personal care services on a fee-for-service basis, that an entity that does not oversee, manage, or provide the personal care services conduct an assessment to determine the amount and frequency of services the individual requires.

Personal care services are medically-oriented activities related to assisting beneficiaries with activities of daily living necessary to maintain the individual in his or her place of residence in the community. These activities may include daily living tasks, such as eating, dressing, bathing, and meal preparation. Under current practice and administrative code, a registered nurse employed by, or under contract with the personal care agency conducts an assessment to determine the recipient's abilities and needs in order to develop a plan of care.

The Department assumes that requiring an independent assessment of personal care needs would reduce the amount of personal care services provided, resulting in benefit cost savings. The fiscal effect of this initiative is the net effect of reducing MA benefits funding to reflect estimated savings, and increasing administrative funding for DHS to implement this policy.

Joint Finance: Reduce funding by $1,000,000 GPR and $1,000,000 FED in 2015-16 to reflect a delayed starting date for the assessment contract.

The following table summarizes the funding changes under this item, as modified by the Joint Committee on Finance.

	2015-16	2016-17
MA Benefits Funding		
GPR	-$3,546,900	-$8,073,100
FED	-4,927,000	-11,141,200
Total	-$8,473,900	-$19,214,300
Program Administration		
State Operations -- GPR	$30,600	$39,300
State Operations -- FED	30,600	39,300
Contracted Services -- GPR	1,000,000	2,000,000
Contracted Services -- FED	1,000,000	2,000,000
Total Administration	$2,061,200	$4,078,600
Net Change		
GPR	-$2,516,300	-$6,033,800
FED	-3,896,400	-9,101,900
All Funds Net Change	-$6,412,700	-$15,135,700

7. INTERGOVERNMENTAL TRANSFER FROM UW SYSTEM

SEG-REV	$10,000,000
GPR	- $10,000,000
FED	10,526,400
PR	8,095,100
SEG	10,000,000
Total	$18,621,500

Governor/Joint Finance: Provide $9,305,400 (-$5,000,000 GPR, $5,263,200 FED, $4,042,200 PR and $5,000,000 SEG) in 2015-16 and $9,316,100 (-$5,000,000 GPR, $5,263,200 FED, $4,052,900 PR, and $5,000,000 SEG) in 2016-17 to reflect the net effect of increasing the estimated amount of revenue the UW System would transfer to the MA trust fund under an existing intergovernmental transfer (IGT) program by $5,000,000 annually, which would replace base GPR funding budgeted for MA benefit costs. Increase in state statute, from $20,338,500 to $30,338,500, the maximum amount of revenue the UW System is required to transfer annually. Specify that the change in the maximum transfer amount would take effect on the day after the bill's publication.

Under current law, the UW System is required to transfer no more than $20,338,500 annually in program revenue from its general operations appropriation to the MA trust fund (MATF). These funds represent a portion of the federal MA matching funds generated by the supplemental MA reimbursement rates paid to UW physicians for services they provide to MA recipients. In 2013-14, the UW System transferred approximately $16.0 million to the MATF under this provision. The administration estimates that the UW System will transfer approximately $17.7 million to the MATF in 2015-16 and 2016-17.

8. ENHANCED DENTAL SERVICES REIMBURSEMENT PILOT PROGRAM [LFB Paper 351]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,530,000	$900,000	$5,430,000
FED	6,950,000	1,400,000	8,350,000
Total	$11,480,000	$2,300,000	$13,780,000

Governor: Provide $4,530,000 GPR and $6,950,000 FED in 2016-17 to reflect the administration's estimate of additional MA benefits costs of implementing an enhanced dental services reimbursement pilot program.

Require DHS, subject to approval of the U.S. Department of Health and Human Services (HHS), to establish a pilot project under which moneys are distributed in each fiscal year to increase the MA reimbursement rate for pediatric dental care and adult emergency dental services, as defined by the Department, that are provided in Brown, Polk, and Racine Counties. Require DHS to request any waiver from, and submit any amendments to, the state MA plan to HHS necessary for the pilot project, and require the Department to implement the pilot project, beginning on the effective date of the waiver or amendment. Specify that the increased reimbursement rates would first apply to services provided on the effective date of the waiver or plan amendment.

Joint Finance: Modify the pilot program to include dental service providers in Marathon County. Specify that the reimbursement rates established for the providers participating in the pilot program shall equal 80% of the median fee for each procedure, as reported in the most recent American Dental Association fee survey for that association's East North Central region, or the provider's usual and customary charge, whichever is less. Specify that if the median fee is not reported for a procedure then the Department shall establish a fee that approximates 80% of the median usual and customary charge for that procedure for dentists practicing in Wisconsin, but that the reimbursement paid to a provider for the procedure shall not exceed the provider's usual and customary charge for that procedure. Increase funding by $900,000 GPR and $1,400,000 FED in 2016-17 to reflect an estimate of the impact of these changes.

Specify that the enhanced MA reimbursement rates for dental services provided under the dental pilot project would be discontinued for services provided after the first day of the 37th month beginning after the effective date of the waiver or plan amendment.

Require the Department to include in any contract with a health maintenance organization that includes the provision of dental services, a requirement that the health maintenance organization reimburse providers of dental services in accordance with the enhanced reimbursement pilot program for qualifying services provided in one of the pilot counties.

Specify that dental services provided on a fee for service basis in a county that is included in the pilot program as of July 1, 2015, shall continue to be provided on a fee for service basis under the pilot program, and that dental services provided on a managed care basis in a county that is included in the pilot program as of July 1, 2015, shall continue to be provided on a

managed care basis under the pilot program.

Specify that the enhanced reimbursement procedures do not apply to dental services provided in a federal qualified health center.

Require DHS, if the pilot program is implemented, to collaborate with the American Dental Association's Health Policy Institute to prepare an evaluation of the pilot program on a quarterly basis, beginning before the first day of the fourth month beginning after the effective date of the pilot program, and require the Department to submit the report to the Joint Committee on Finance. Specify the report shall contain, at a minimum, data on the following key outcomes of interest from the pilot counties and non-pilot counties, both before and after the implementation of the pilot program: (a) dental care utilization among children and adults in both dental clinics and emergency rooms; (b) participation by dentists in the medical assistance program; (c) the fiscal impact of the pilot program, including costs and savings; (d) if feasible, a comparison of the program as administered in a fee-for-service system versus the program as administered under an HMO system; and, (e) if feasible, the impact of the program on oral health outcomes, such as MA recipients' self-reported assessment of oral health and barriers to obtaining dental care.

9. MA COVERAGE OF RESIDENTIAL SUBSTANCE ABUSE SERVICES [LFB Paper 352]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,181,100	- $1,026,600	$2,154,500
FED	4,771,700	- 1,539,900	3,231,800
Total	$7,952,800	- $2,566,500	$5,386,300

Governor: Provide $2,566,500 ($1,026,600 GPR and $1,539,900 FED) in 2015-16 and $5,386,300 ($2,154,500 GPR and $3,231,800 FED) in 2016-17 to fund the administration's estimate of the cost of extending MA program coverage to residential-based substance abuse treatment services. Include substance abuse treatment services provided by a medically monitored treatment service or a transitional residential treatment service in the statutory list of services covered under the MA program, provided that, if federal reimbursement of such coverage requires a state plan amendment or federal waiver, that the U.S. Department of Health and Human Services approves of the amendment or waiver.

Define a "medically monitored treatment service" as a 24-hour, community-based service providing observation, monitoring, and treatment by a multidisciplinary team under supervision of a physician, with a minimum of 12 hours of counseling provided per week for each patient. Define a "transitional residential treatment service" as a clinically supervised, peer-supported, therapeutic environment with clinical involvement providing substance abuse treatment in the form of counseling for three to 11 hours provided per week for each patient.

Under current law, the MA program covers certain day treatment services for substance abuse, as well as certain hospital inpatient services and outpatient substance abuse counseling,

but does not cover treatment provided in a residential (non-hospital) setting. The administration's costs estimates assume that the MA program would begin covering residential treatment services beginning on January 1, 2016, and that approximately 800 MA recipients in 2015-16 and 1,600 MA recipients in 2016-17 would receive these services.

Joint Finance: Specify that MA reimbursement for treatment services would be provided for dates of service no sooner than July 1, 2016, or the date the U.S. Department of Health and Human Services approves any state plan amendment or federal waiver authorizing these services, whichever is later. Reduce funding by $2,566,500 (-$1,026,600 GPR and -$1,539,900 FED) in 2015-16 to reflect this change.

10. INCLUDE DRUGS IN MANAGED CARE CONTRACTS [LFB Paper 353]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $930,100	$930,100	$0
FED	- 1,294,700	1,294,700	0
Total	- $2,224,800	$2,224,800	$0

Governor: Reduce MA program benefit funding by $692,800 (-$289,300 GPR and -$403,500 FED) in 2015-16 and $1,532,000 (-$640,800 GPR and -$891,200 FED) in 2016-17 to reflect an administrative initiative to include the cost of prescription drugs in managed care contracts, beginning in 2016, for all MA recipients enrolled in managed care organizations (MCOs). Under current practice, pharmacies are reimbursed for drugs they provide to MA recipients on a fee-for-service basis, even for MA recipients enrolled in MCOs. The funding reduction in this item reflects the administration's estimate that including drugs in the MCO contracts will reduce drug costs by 0.15%. The bill does not contain statutory changes associated with this initiative. The administration intends to request that the Committee delete this item from the bill.

Joint Finance: Delete provision.

11. SERVICES PROVIDED BY CERTIFIED PROFESSIONAL MIDWIVES

GPR	- $292,400
FED	- 406,700
Total	- $699,100

Governor/Joint Finance: Reduce funding for MA benefits by $174,800 (-$73,000 GPR and -$101,800 FED) in 2015-16 and by $524,300 (-$219,400 GPR and -$304,900 FED) in 2016-17 to reflect estimates of net savings that would result by providing MA coverage for services provided by certified professional midwives. Add licensed midwife services provided by certified professional midwives licensed under state law to the statutory list of services covered under the state's MA program. Require DHS to submit an amendment to the state's MA plan to the U.S. Department of Health and Human Services to permit reimbursement of services provided by a certified professional midwife. Specify that this provision would take effect beginning on January 1, 2016, provided that the state receives federal approval of the amendment to its state MA plan.

The administration's savings estimate assumes that midwife services offered by a certified professional midwife will replace some MA-eligible services provided by physicians and hospitals, resulting in a net reduction in MA benefits costs. Currently, the MA program covers nurse-midwifery services, but not licensed midwife services provided by a certified professional midwife.

12. BADGERCARE PLUS COVERAGE FOR CHILDLESS ADULTS [LFB Papers 354 and 355]

Governor: Require DHS to submit to the Secretary of the federal Department of Health and Human Services (HHS) an amendment to the existing waiver of federal law that extended coverage to adults without dependent children ("childless adults") with household income of up to 100% of the federal poverty level (FPL). Require the amendment to do all the following:

a. Impose monthly premiums as determined by DHS;

b. Impose higher premiums for enrollees who engage in behaviors that increase their health risks, as determined by DHS;

c. Require a health risk assessment for all childless adults;

d. Limit a childless adult's MA eligibility to no more than 48 months, and require DHS to specify the eligibility formula in the amendment; and

e. Require, as a condition of eligibility, that a childless adult applying for or enrolled in the program submit to a drug screening assessment, and, if indicated, a drug test, as specified by DHS in the amendment.

If the HHS Secretary approves the amendment in whole or in part, require DHS to do all the following: (a) implement the changes to the program approved by the HHS Secretary, consistent with that approval; (b) identify in its quarterly report on the MA budget to the Joint Committee on Finance any costs incurred or savings realized in the 2015-17 biennium as a result of the actions taken under these provisions, as approved by the HHS Secretary; and (c) in the agency budget request for the 2017-19 biennium, include any future fiscal impact resulting from the actions taken under these provisions, as approved by the HHS Secretary.

Repeal the current statutory provision that requires childless adults with income over 133% of the FPL to pay premiums of between 3% and 9.5% of household income.

Joint Finance: Prior to submitting the amendment to the HHS Secretary, require DHS to submit to the Joint Committee on Finance a report that summarizes the provisions, and provides an estimate of the fiscal effect, of the proposed amendment to the waiver.

If the HHS Secretary approves the amendment in whole or in part, require DHS, before implementing the changes, to submit a report to the Joint Committee on Finance that summarizes the provisions, and provides an estimate of the fiscal effect, of the approved amendment.

13. REPEAL THREE-MONTH WAITING PERIOD FOR BADGERCARE PLUS COVERAGE AFTER ENDING PRIVATE COVERAGE

Governor/Joint Finance: Repeal provisions that subject the following individuals to a three-month waiting period for BadgerCare Plus coverage after ending other insurance coverage without a good cause reason: (a) an individual with family income over 150% of the federal poverty level (FPL); (b) an unborn child or an unborn child's mother; (c) a pregnant woman with income over 200% of the FPL; and (d) a non-disabled, non-pregnant adult with income over 133% of the FPL, and his or her non-disabled children.

Repeal provisions that impose a three-month waiting period on the following individuals, if the federal Department of Health and Human Services approves of a DHS request to impose that waiting period: (a) a child in a household with income above 133% of the FPL; (b) a non-disabled, non-pregnant parent or caretaker relative with income above 100% of the FPL; and (c) an adult with income greater than 100% of the FPL (including a pregnant adult) who is under 26 years of age and is eligible for coverage under his or her parent's employer-sponsored insurance.

Repeal provisions defining a "good cause reason" for ending other insurance coverage for the purposes of determining who is currently subject to a three-month waiting period for BadgerCare Plus coverage.

Due to BadgerCare Plus program eligibility changes made after these current law provisions were enacted, the only individuals subject to the three-month waiting period are children at certain income levels and pregnant women in the BadgerCare Plus prenatal program.

14. MA REIMBURSEMENT FOR VACCINES ADMINISTERED BY PHARMACISTS

Governor/Joint Finance: Require DHS to provide reimbursement under the MA program for vaccines administered by pharmacists who meet training requirements specified by the Department to administer vaccines, as determined by the Department, to a person six to 18 years of age, provided the U.S. Department of Health and Human Services approves an amendment to the state's MA plan. Require DHS to submit an amendment to the state MA plan to provide for such reimbursement. Require a pharmacist or pharmacy to enroll in the federal Vaccines for Children program to be eligible for MA reimbursement under this provision.

15. NONEMERGENCY MEDICAL TRANSPORTATION IN SOUTHEASTERN WISCONSIN

Joint Finance: Require DHS to modify the current contract for the arrangement and reimbursement of nonemergency medical transportation services for medical assistance beneficiaries, to the extent permitted by that contract, to exclude Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha county MA beneficiaries from the contract and make alternative arrangements for the provision of nonemergency medical transportation services for beneficiaries in those counties. Specify that alternative arrangements may be made with counties, health maintenance organizations, or transportation providers. Specify

that this change would apply to the contract in effect on the effective date of the bill and would take effect no later than January 1, 2016.

16. AMBULATORY SURGICAL CENTER ASSESSMENT REPORT

Joint Finance: Require DHS to annually submit a report to the Joint Committee on Finance that contains all of the following information for the prior fiscal year: (a) the total amount of revenue collected from eligible ambulatory surgical centers (ASCs) under the ASC assessment; (b) the amount each eligible ASC paid under the assessment (require DHS to specify the specialty of the center paying the assessment, but allow DHS to withhold the name of the ASC paying the assessment); (c) the total amount of money received by each managed care organization, if money was received in MA payment increases made in connection with the implementation of the assessment; (d) the total amount each managed care organization paid to ASCs; and (e) the total amount of payment increases made in connection with the implementation of the assessment paid to eligible ASCs on a fee-for-service basis under the assessment.

In addition, require the Department of Revenue (DOR), upon the request of DHS, to provide to DHS any information in the possession of DOR that is necessary for DHS to complete the report.

17. FEDERAL MATCH FOR POISON CONTROL CENTERS

Joint Finance: Authorize DHS to use GPR funding budgeted to support the state's poison control system as the state share for the purpose of obtaining federal matching funds available under Title 21 of the Social Security Act (the Children's Health Insurance Program, or CHIP). Modify the federal MA benefits appropriation to authorize the expenditure of these federal funds for this purpose.

The bill would maintain base funding DHS provides annually to supplement the operation of a statewide poison control program and for the statewide collection and reporting of poison control activities ($382,500 GPR annually). Under CHIP, states may submit state plan amendments to use federal funds to implement certain health services initiatives to improve the health of children, including initiatives targeting children in families with low income.

18. QUI TAM CLAIMS

Joint Finance: Eliminate private individuals' authority to bring qui tam claims against a person who makes a false claim for medical assistance. Under current law, with regards to the MA program, a qui tam claim is a claim initiated by a private individual on behalf of that individual and on behalf of the state against a person who makes a false claim for medical assistance. Moneys recovered as a result of qui tam claims accrue to both the MA program and the private individual who initiated the claim. Of the recovered amounts, the private individual may be awarded attorney fees and up to 30% of the amount recovered, depending on the extent

to which the private individual contributes to the prosecution of the action. The remaining amounts are recovered by the state and federal government for the MA program and attorney fees. Under current law, in addition to qui tam claims, the Wisconsin Department of Justice has independent authority to initiate a claim against a person who makes a false claim for medical assistance.

Medical Assistance -- Long-Term Care Services

1. CHANGES TO FAMILY CARE, IRIS, AND AGING AND DISABILITY RESOURCE CENTERS [LFB Papers 356, 357, and 358]

GPR	- $6,000,000
FED	- 8,336,900
Total	- $14,336,900

Governor: Reduce funding by $14,336,900 (-$6,000,000 GPR and -$8,336,900 FED) in 2016-17 to reflect changes to the Family Care program. This funding reduction reflects the Department of Administration's estimates of anticipated savings to current Family Care, IRIS, Partnership and PACE spending associated with proposed changes to the state's long-term care programs.

Under the Family Care program, managed care organizations (MCOs) provide long-term care services to elderly individuals, adults with developmental disabilities, and adults with physical disabilities. The state also offers the fee-for-service, self-directed IRIS (Include, Respect, I Self-Direct) program to provide individuals who qualify for Family Care services with an alternative to managed care. In addition to Family Care and IRIS, individuals in two counties have access to the Program of All-Inclusive Care for the Elderly (PACE), and individuals in 14 counties have access to the Family Care Partnership Program (Partnership), which provide integrated delivery of primary and acute medical care, long-term care, and prescription drug coverage.

The bill contains the following provisions.

Statewide Provision of Services. Require DHS to submit a request for a federal waiver from the U.S. Department of Health and Human Services (HHS) allowing for the administration of the Family Care program statewide by MCOs, unless DHS waives this requirement for a specific MCO. If a federal waiver is approved, require DHS to make the Family Care program available statewide by January 1, 2017, or a date determined by the Department, whichever is later. This provision does not require all eligible individuals to be enrolled by January 1, 2017, and the Department has noted that, assuming a federal waiver is approved, it intends to enroll individuals using the same 36-month enrollment phase-in as is specified under current law.

Require DHS to request a federal waiver allowing for the elimination of the competitive procurement process for MCOs, and, if approved, to contract for the statewide provision of services with any MCO that meets the statutory requirements for providing services.

Remove the statutory requirement that the Department submit proposals for Family Care expansion to the Joint Committee on Finance (JFC) for approval. Allow DHS to eliminate the community integration program (CIP), the community opportunities and recovery program (CORP), and the community options program (COP) after the Family Care program is offered to all eligible residents in a county. Modify current references in the long-term care statutes to improve consistency and reflect current practices.

Under current law, Family Care and IRIS are available in 57 counties, and will be expanded to an additional seven counties in calendar year 2015. The eight counties that will not be participating in Family Care and IRIS at the end of calendar year 2015 are Adams, Dane, Florence, Forest, Oneida, Rock, Taylor, and Vilas. The state currently provides home and community-based long-term care services to individuals in these counties through the "legacy" home and community-based waiver programs, including CIP, COP, and CORP.

Under current law, DHS awards a contract to one MCO to provide services in a geographic service region of the state, based on a competitive, sealed procurement process. If DHS proposes to contract with an entity to administer the Family Care benefit in a new geographic area, it must first submit the proposed contract, an estimated fiscal effect demonstrating that the expansion is cost neutral, documentation that the proposed expansion county consents to the expansion, the county's Family Care contribution, and the county's proposal for how it will use any county expenditure savings that result from the Family Care benefit being available in that county, to JFC, and DHS may only enter into the proposed contract if JFC approves the contract.

Self-Directed Services. Delete statutory references to the IRIS (Include, Respect, I Self-Direct) program. Require DHS to allow Family Care enrollees to self-direct services. Remove statutory references to IRIS program services offered to individuals receiving post-secondary education on the grounds of an institution, and replace with references to the self-directed Family Care program.

Primary and Acute Services in Family Care Program. Require DHS to request a waiver from HHS allowing for the inclusion of any primary and acute health services mandated under federal MA law, such as physicians' services, inpatient hospital services, and skilled nursing home services, that the Department chooses to offer as a benefit under the Family Care program. If approved by HHS, allow DHS to offer the approved services under the Family Care program.

Family Care Open Enrollment. Require DHS to request a waiver from HHS allowing enrollees to change MCOs only during a specified open enrollment period and, if approved, implement this provision.

MCO Contracts and Oversight. Require DHS to request a waiver from HHS to remove statutory requirements for MCOs under Chapter 648 ("Regulation of Care Management Organizations"), which specify the requirements for applying for, issuing, and suspending or revoking an MCO's permit, the role of the Office of the Commissioner of Insurance (OCI) and the Commissioner in regulating MCOs, reporting duties of MCOs, requirements for responsiveness of MCOs to OCI, the ability of OCI to examine, audit, or otherwise study the operations of an MCO, the responsibility of MCOs for the costs of such examinations and audits,

the ability of OCI to refuse to disclose information, including reports, records, and information obtained through reports and during examinations regarding MCOs, the ability of OCI to enforce relevant regulations, processes related to disclosing management changes, protections related to enrollees of MCOs, and processes for insolvency funding of MCOs. Eliminate the transfer from OCI's general program operations appropriation to the DHS appropriation for oversight of MCOs. Repeal OCI appropriations related to the costs OCI may charge MCOs for employing experts to examine or review transactions, and for other costs related to analysis and financial monitoring of MCOs by OCI under current law. Eliminate the appropriation related to collections of expenses for insolvent or financially hazardous MCOs. Allow OCI to apply statutory regulations related to insurance providers, including provisions related to solvency assessment, accounting and reserves, rate regulation, insurance marketing, and other general public policy provisions applicable to insurers, to MCOs. Permit OCI to promulgate rules regarding licensing MCOs as insurers and regulating the operations of MCOs as necessary. These provisions would be effective July 1, 2018.

Prohibit MCOs from investing risk reserve funds in time deposits, or in bonds or securities issued or guaranteed by the federal government or by a commission, board, or other instrumentality of the federal government.

Eliminate the requirement that, as a term of a contract with an MCO, an MCO must contract for the provision of services covered under the Family Care benefit with any community-based residential facility, residential care apartment complex, nursing home, intermediate care facility for the intellectually disabled, community rehabilitation program, home health agency, provider of day services, or provider of personal care that agrees to accept the reimbursement rate that the MCO pays under contract to similar providers for the same service and that satisfies any applicable quality of care, utilization, or other criteria that the MCO requires of other providers with which it contracts to provide the same service. Eliminate the ability of DHS to prohibit MCOs from including provisions in contracts with Family Care service providers to return any funding for residential services, prevocational services, or supported employment services that exceed the costs of services to MCOs. These provisions would be effective July 1, 2018.

Under current law, MCOs are subject to oversight provisions enforced by OCI, including permitting, reporting, and examination requirements. Additionally, they are subject to certain restrictions on contracts with service providers specified by DHS.

ADRC Service Providers and Services. Permit DHS to contract with entities other than aging and disability resource centers (ADRCs) to perform the duties of ADRCs. Permit DHS to specify in a contract with an ADRC or agency acting as an ADRC that the entity provide any of the following services or functions: (a) information and referral services and other assistance at hours that are convenient for the public; (b) a determination of functional eligibility for Family Care; (c) within the limits of available funding, prevention and intervention services; (d) counseling concerning public and private benefits programs; (e) a determination of financial eligibility and of the maximum amount of cost sharing required for a person who is seeking long-term care services, under standards prescribed by the Department; (f) assistance to a person who is eligible for Family Care with respect to the person's choice of whether or not to enroll in an

MCO and, if so, which available MCO would best meet his or her needs; (g) assistance in enrolling in an MCO; (h) transitional services to families whose children with physical or developmental disabilities are preparing to enter the adult service system; and (i) a determination of eligibility for state supplemental payments, MA benefits related to the receipt of certain Social Security, Medicare, or BadgerCare Plus benefits, or for FoodShare benefits.

Under current law, individuals have access to ADRCs, which serve as a gateway for individuals who need, or expect to need, long-term care services through programs such as Family Care, IRIS, PACE, and Partnership. ADRCs are responsible for the provision of all of the services outlined above, and must provide all of their services at no cost to recipients. As of August, 2014, there were 41 ADRCs operating in Wisconsin, including 28 single county ADRCs and 13 multi-county/tribe regional ADRCs, serving all 72 counties and 11 tribes.

Currently, the contract between an ADRC and DHS assigns responsibilities to each ADRC and allows the ADRC to be reimbursed for its costs in carrying out these required functions. Counties are not expected to contribute to the cost of operating ADRCs. State funding to support ADRCs is allocated based on the estimated size of the population served in each area and estimates of the amount of time required to carry out the ADRC functions. If actual costs exceed this limit, the ADRC is responsible for those costs. Because ADRCs provide services to, and respond to, inquiries from individuals and their families regardless of MA eligibility, federal cost sharing for their operation is limited to the amount that can be documented as supporting services for MA-eligible individuals. DHS estimates that approximately 65 percent of ADRC expenditures were eligible for federal MA administrative matching funds between July 1, 2014, and October 29, 2014, meaning that approximately 32.5 percent of ADRC expenditures are currently paid by federal matching funds.

Elimination of Long-Term Care Districts, Advisory Committees, and ADRC Governing Boards. Require long-term care districts existing on June 30, 2015, to be dissolved before June 30, 2017, or before a date established by DHS, whichever is later. Prohibit any new long-term care districts from being created after June 30, 2015. Remove all statutory language regarding and references to long-term care districts, effective July 1, 2018.

Under current law, a long-term care district is a local unit of government created with the purpose of operating an MCO, an ADRC, the Partnership program, or PACE. A long-term care district is overseen by a long-term care district board, and has jurisdiction within the county or counties that created it, or the geographic area of the reservation of the tribe or band that created the district. There are currently seven long-term care districts, four of which are Family Care MCOs, one of which operates an ADRC, and two of which have no contract with DHS.

Repeal regional long-term care advisory committees. Remove all statutory references to regional long-term care advisory committees. Under current law, regional long-term care advisory committees are responsible for: (a) evaluating the performance of MCOs in the committee's region with respect to responsiveness to service recipients, number of choices available to recipients, and other issues affecting recipients, and making recommendations based on these evaluations; (b) evaluating the performance of ADRCs and making recommendations regarding their performance; (c) monitoring grievances and appeals made to MCOs; (d) reviewing utilization of long-term care services in the committee's region; (e) monitoring

enrollments and disenrollments in MCOs operating in the committee's region; (f) identifying gaps in availability of services, living arrangements, and community resources and developing strategies to build capacity to provide those services; (g) performing long-range planning related to long-term care policy for individuals served by ADRCs; and (h) reporting to DHS annually regarding achievements and problems related to the provision of long-term care services in that region.

Eliminate ADRC governing boards. Remove all statutory references to ADRC governing boards. Under current law, ADRCs have a governing board that is responsible for determining the structure, policies, and procedures of, as well as overseeing the operations of, the ADRC. In addition, the governing board is responsible for gathering information regarding the ADRC's activities, including identifying gaps in services and reporting findings to the regional long-term care advisory committee. Further, the governing board is responsible for recommending strategies for building local capacity, identifying new sources of community resources and funding, appointing members to the long-term care advisory committee, reviewing interagency agreements between ADRCs and MCOs, reviewing the number and types of grievances and appeals related to long-term care in the area served by the ADRC, and recommending system changes as appropriate.

Contingency Provision. Require that, if any of the waiver requests specified above are not approved, the Department continue to administer the Family Care benefit in accordance with current statutory requirements.

Joint Finance: Delete all of the statutory changes recommended by the Governor. However, retain the Governor's recommendation to reduce MA benefits costs by $14,336,900 (-$6,000,000 GPR and -$8,336,900 FED) in 2016-17 to reflect savings DHS would be expected to realize in the 2015-17 biennium in providing services to MA recipients who receive long-term care services.

Require DHS to submit a request to the U.S. Department of Health and Human Services (HHS) for changes to the state's current waiver under which Family Care and IRIS operates. Require that the waiver request provide for the expansion of the Family Care program statewide. If a federal waiver is approved, require DHS to make the Family Care program available statewide by January 1, 2017, or a date determined by the Department, whichever is later. If the Department specifies a date later than January 1, 2017, require the Department to submit the date to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register. If such a waiver is approved, permit the Department to expand the program statewide, notwithstanding the requirement that the Department submit proposals for Family Care expansion to the Joint Committee on Finance (JFC) for approval. Permit DHS to eliminate the community integration program (CIP), community opportunities and recovery program (CORP), and community options program (COP) after the Family Care program is available to all eligible residents in a county.

In addition to requesting the statewide expansion of Family Care, require that the waiver request include the following components: (a) specify that MA-funded long-term care consumers receive both long-term care and acute care services, including Medicare-funded services to the

extent allowable by CMS, from integrated health agencies (IHAs); (b) increase the size of regions currently served by managed care entities, such that each region has sufficient population to allow for adequate risk management by IHAs; (c) specify that there shall be no less than five regions; (d) require multiple IHAs in all regions of the state; (e) require IHAs to make available a consumer-directed option under the long-term care program, under which the IHA would assist individuals in developing individualized support and service plans, ensure that all services are paid according to the plan, and assist enrollees in managing all fiscal requirements, and which shall include, but is not limited to, the ability to select, direct, and/or employ persons offering any of the services available under the IRIS program as of July 1, 2015, and the ability to manage, utilizing the services of an IHA serving as a fiscal intermediary, an individual home and community-based services budget allowance based on a functional assessment performed by a qualified entity and the availability of family and other caregivers who can help provide needed support; (f) modify the state's long-term care programs, including allowing for audits of providers, in order to improve accountability in the provision of services; (g) establish an open enrollment period for the state's long-term care programs that coincides with the open enrollment period for the Medicare program; (h) require that rates paid to IHAs be set through an independent actuarial study; and (i) preserve the "any willing provider" provision, which requires IHAs to contract for long-term care services with any provider that agrees to accept the reimbursement rate and satisfies any qualify of care, utilization, or other criteria that the IHA requires of similar providers for the same services, for a minimum of three years in each region following the implementation date of the program in that region.

Direct DHS to consult with stakeholders, including representatives of consumers of long-term care and long-term care providers, and the public prior to developing its final waiver request to be submitted to JFC. Specify that DHS hold no less than two public hearings regarding the proposed Family Care waiver prior to its submission to JFC. In addition, require DHS to submit, as part of the MA quarterly status reports submitted by September 30, 2015, and December 30, 2015, progress reports regarding the development of the waiver proposal. Specify that the progress reports must include, but are not limited to, information regarding outcomes of discussions with stakeholders and CMS.

Additionally, require DHS to develop its final recommendations in accordance with the ten key principles determined by CMS to be essential elements of a strong managed long-term services and supports program, which include: (a) adequate planning and transition strategies; (b) stakeholder engagement; (c) enhanced provision of services in home and community-based settings; (d) alignment of payment structures with programmatic goals, including improving the health of enrollees, improving the experience of enrollees, and reducing costs through these improvements; (e) support for beneficiaries, including counseling regarding options and enrollment from an independent source at no cost to the beneficiary and the availability of ombudsman resources; (f) person-centered processes, including an option to self-direct services; (g) a comprehensive and integrated service package; (h) qualified providers; (i) participant protections, including systems to manage incidents and appeals processes for program participants; and (j) comprehensive quality assurance and oversight procedures.

Require DHS to submit a summary of the proposed concept plan associated with the waiver request to the Committee for review and approval or disapproval without changes no later

than April 1, 2016, prior to the Department's submitting any proposed changes to the state's MA waiver agreements or a state plan amendment to CMS for that agency's approval. If a state plan amendment or waiver request is approved and is substantially consistent with the initial waiver application, as approved by JFC, permit the Department to, notwithstanding the current Family Care statutes, implement any programmatic changes in accordance with the approved waiver. If the state plan amendment is not approved or if a waiver that is substantially consistent with the initial waiver request, as approved by JFC, is not approved, the waiver may not be implemented, and the Family Care program shall continue to operate in accordance with statutes in effect on July 1, 2015. Require the Department include in its 2017-19 biennial budget request any proposed statutory changes necessary to conform the statutes to the approved waiver or state plan amendment.

Specify that language under s. 46.2895 of the statutes relating to tribal or band long-term care districts shall be maintained until a waiver from CMS for the provision of tribal long-term care services relating to those long-term care districts is approved.

Require long-term care advisory committees to, in addition to their current statutory responsibilities, provide for review and assessment of the self-directed services option.

Specify that a long-term care district, defined under s. 46.2895 of the statutes, is permitted to operate a health maintenance organization in accordance with state law.

Require DHS to evaluate the functional screen and options counseling for reliability and consistency among ADRCs, and to provide a report regarding these activities by January 1, 2017.

Specify that the Department assess which responsibilities of ADRC governing boards are duplicative with current Department procedures, and propose changes to the statutory requirements of these boards that remove duplication to JFC no later than July 1, 2016.

Require DHS to study the integration of income maintenance consortia and ADRCs, and to present a report to JFC no later than April 1, 2016 with recommendations regarding potential efficiencies that may be gained, if any, from the integration of these entities, as well as whether such a merger would be appropriate in light of the responsibilities of each entity.

2. CHILDREN'S COMMUNITY OPTIONS PROGRAM [LFB Paper 359]

Governor: Create a children's community options program (CCOP) by repealing the family support program (FSP) and consolidating funding currently budgeted for that program and funding that currently supports long-term care services for children under the community options program (COP), effective January 1, 2016.

Currently, FSP funds services that help children with severe disabilities remain in their homes. The program provides up to $3,000 per year in services and goods to eligible families, and additional amounts that may be provided with DHS approval. While income is not a condition of eligibility for the program, families with income greater than 330% of the federal

poverty level are required to share in the cost of program services based on a sliding scale.

CCOP would provide services to children previously served under FSP. Funding for FSP ($2,544,500 GPR in 2015-16 and $5,089,000 GPR in 2016-17) would be transferred to an appropriation that supports the community options program and long-term support services, and would be used, together with base funds currently used to serve children under the current community options program (approximately $4.0 million GPR in calendar year 2013) to fund CCOP.

The bill contains the following provisions.

Eligibility. Direct DHS to allocate funds to county or private nonprofit agencies to provide long-term community support services to eligible children who have a disability. For these purposes, define a "child" as a person under 22 years of age and who is not receiving services in, or on a waiting list for, an adult long-term care program. Define a "disability" as a severe physical, developmental, or emotional impairment that is diagnosed medically, behaviorally, or psychologically, characterized by the need for individually planned and coordinated care, treatment, vocational rehabilitation, or other services, and which has resulted or is likely to result in substantial limitation to at least two of the following areas: (a) self-care; (b) receptive and expressive language; (c) learning; (d) mobility; and (e) self-direction. Require that an assessment be conducted for any child seeking CCOP services, within the limits of state and federal funds and fee collections.

Direct DHS to create a sliding scale formula for fees chargeable for conducting an assessment, developing a case plan, and providing long-term community support services, based on a child's ability to pay, unless prohibited under federal Medicaid law. Require counties to require children or their parents or guardians applying for CCOP to provide, at the time of application or for children currently receiving such services, a declaration of income on a form prescribed by DHS and a declaration of costs paid annually for care and services related to the child's disability or special need. From this information, direct the county department to determine the amount of the fee for CCOP services, and require the county department to require payment by the child or parent or guardian of 100 percent of the specified fee. Require that the county use all fee revenue to pay for long-term community support services for children eligible for CCOP.

Require participating counties to ensure individuals receiving CCOP services meet applicable eligibility requirements, through use of a form or other procedure provided by DHS. Specify that, within the limits of available state and federal funds reimbursed by DHS and CCOP fee revenue, the county department or private, nonprofit agency must provide CCOP services to all eligible children, excluding room and board expenses. Permit DHS to disallow reimbursement for services provided to children who do not meet CCOP or other eligibility requirements established by DHS. Specify that a child who is denied eligibility for services or whose services are reduced or terminated is permitted a hearing with DHS based on statutory requirements for administrative hearings, unless services are denied, reduced, or terminated due to lack of funding.

Responsibilities of DHS. Require DHS to develop guidelines for implementing CCOP, and

to review and approve or disapprove each county department selected to administer the program. Provide that DHS must approve or reject the community options plan of each participating county, based on criteria DHS develops in consultation with representatives of counties, hospitals (defined as any building, structure, institution or place devoted primarily to the maintenance and operation of facilities for the diagnosis, treatment of and medical or surgical care for three or more nonrelated patients, suffering from illness, disease, injury or disability, whether physical or mental, and including pregnancy and regularly making available at least clinical laboratory services, and diagnostic X-ray services and treatment facilities for surgery, or obstetrical care, or other definitive medical treatment), other institutional settings, and recipients of children's community support services, which address cost-effectiveness, scope, feasibility, and impact on quality and appropriateness of health and social services, and provide counties with maximum flexibility to develop programs that address local needs. Require DHS to periodically monitor program implementation.

Require DHS to, following consultation with representatives of counties, hospitals, and individuals who receive services under CCOP, establish minimum requirements for the provision of services, including standards for care, timeliness for performance of duties, and acceptable caseload size, as well as a reasonable schedule for phasing in these minimum requirements. In addition, require DHS to provide technical consultation and assistance to the administrator of CCOP regarding these minimum requirements. Specify that these minimum requirements and schedule do not need to be promulgated as rules.

Provide that, if DHS has a waiver from the federal requirement to review a county department or private, nonprofit agency's plans of care for each individual receiving home or community-based services because DHS or the agency has implemented effective quality assurance systems based on evaluations of the adequacy, safety, and comprehensiveness of individual care plans and services, the waiver applies to the care plans for children enrolled in CCOP.

Advisory Committee. Require participating counties to appoint members to an advisory committee or appoint an existing advisory committee to serve as the CCOP advisory committee, whose responsibilities include assisting in developing the program plan and monitoring the program. The membership of this committee would include, but would not be limited to: (a) a majority of the committee membership composed of parents of children with disabilities who are representative of the disability, racial, and ethnic groups in the service area, including, if possible, parents of CCOP participants; (b) representatives of the community mental health, developmental disabilities, alcoholism and drug abuse service providers, representatives of the county department of human services or county social services board, and representatives of school districts and local health departments, at least one of which is a person providing services to children who are eligible for CCOP; and (c) persons in the service area who provide social or educational services to disabled children other than the persons previously specified.

County Responsibilities. Require participating counties to cooperate with the CCOP advisory committee to prepare a program plan, which includes: (a) a description of the proposed program; (b) the estimated number of families to be assessed and served; (c) a list of groups, if any, to be given priority for funding; (d) a description of proposed outreach procedures to ensure

that the program will be made available to eligible children; (e) the process that will be used to determine family need; (f) a description of the process for developing and monitoring services plans and for coordinating the provision of services and goods to participating families; (g) a description of the methods that will be used to promote the creation of informal support and advocacy systems for families; and (h) a description of the method that will be used to monitor the program. Require that the proposed plan be submitted to the county board of supervisors in each county in the service area for review and, after being approved by the county boards, the plan be submitted to DHS. Require participating counties, in conjunction with county departments of social services or county social services boards and the administering agency, to coordinate the administration of CCOP with the administration of other publicly-funded programs serving disabled children. Require participating counties to submit all information and reports required by the Department. Specify that private, nonprofit agencies with which DHS contracts to provide CCOP services have the powers and duties of a county department designated to administer the program.

Specify that an agency administering the program: (a) cooperate in the development of the program plan; (b) provide information about the program and other programs for children who have disabilities to families in the service area; (c) implement the program in accordance with the program plan; and (d) designate an employee as the coordinator for each participating family.

Require the county department selected to administer the program to: (a) facilitate assessments by individuals who can determine the needs of the child being assessed and know the availability of services within the county; (b) involve county departments of social services or social service boards, community mental health, developmental disabilities, alcoholism, or drug abuse service providers, health service providers, and the child's family or guardian in assessment activities; (c) ensure the provision of necessary long-term community support services for all eligible children based on DHS standards for purchase of care and services within the limits of state and federal funds; (d) provide for ongoing care management services, periodic case plan review, and follow-up services for any child receiving CCOP services based on DHS standards for the provision of care management within the limits of state and federal funds; (e) determine the fee, if any, for all children eligible for CCOP; (f) serve as or contract with a fiscal agent to perform the responsibilities of enrollees under unemployment insurance law, including remitting any federal unemployment compensation taxes or state unemployment insurance contributions, such as interest and penalties, owed by the child, serving as the representative of the child in any investigation, meeting, hearing, or appeal regarding state unemployment insurance and reserves law or the federal unemployment tax act in which the child is party, and receiving, reviewing, completing, and returning all forms, reports, and other documents required under these provisions of state and federal unemployment law; (g) allow a child to make an informed and voluntary (defined as being according to an individual's free choice, if competent, or by a choice of his or her parent or guardian, if the individual is adjudicated incompetent or is a minor) election to waive the right to a fiscal agent, including any or all of the fiscal agent's responsibilities, and allow this waiver to be rescinded at any time; and (h) develop assessments and care plans according to uniform criteria established by DHS for children in all long-term care programs.

Specify that, unless an assessment is performed under contract with a managed care

organization, the fiscal responsibility of a county for an assessment, case plan, or services provided under CCOP is: (a) the county in which the child has residence (defined as the voluntary occurrence of physical presence with the intent to remain in a fixed place of habitation), if the child is seeking admission to or about to be admitted to an institutional setting, which includes a nursing home, state-operated long-term care facility, or other residential facility that provides care to children outside of a home; (b) the county in which the child is residing if the child is residing in a long-term care facility, unless the child is residing in a state-operated long-term care facility, which includes a State Center for the Developmentally Disabled or a Wisconsin veterans home; (c) the county in which a child's legal residence is established if a child is living in an institutional setting, but has legal residence established in another county, unless the child is residing in a state-operated long-term care facility; and (d) the county in which a child was residing before he or she entered a state-operated long-term care facility or was protectively placed, if the child is residing in a state-operated long-term care facility or is in custody under protective placement.

Funding. Provide funding for CCOP under the long-term care programs appropriation of the DHS budget. Specify that funds may be allocated from this appropriation to each county or private, nonprofit agency with which DHS contracts for the following purposes: (a) to pay assessment and case plan costs not paid by fee, under MA, or through contracts with multi-county consortia, including to reimburse consortia costs related to assessing children eligible for MA due to receipt of certain Social Security aids, Medicare benefits, MA for the medically indigent, and BadgerCare Plus, which would be reimbursed as MA administrative services; and (b) to pay the cost of providing CCOP services not otherwise paid under MA for children who are eligible for MA due to receipt of certain Social Security aids, MA for the medically indigent, or BadgerCare Plus, as long as funds received are spent only in accordance with the child's case plan and service contract.

Specify that no funds could be released without approval by DHS of the county's community options plan, that no county could use funds to pay for services provided to a child who resides in a nursing home, unless this restriction is waived by DHS and funds are provided in accordance with a discharge plan, and that no county may use CCOP funds to purchase land or construct buildings. Specify that receipt of funds by counties must be contingent on county compliance with requirements regarding the distribution of community aids to counties, and that counties may use any excess funds appropriated under the long-term care programs appropriation to pay the cost of providing long-term community support services and for risk reserves. Provide that counties may jointly receive funds if they sign a contract approved by the Secretary of DHS that explains their plans for joint sponsorship. Specify that DHS may require a county to reserve a portion of funds allocated for CCOP to provide services to enrollees whose cost-of-care significantly exceeds the average cost of care of children enrolled in the program if the county demonstrates a pattern of failure to serve such clients.

Authorize DHS to, at the request of a county, carry forward up to five percent of the amount allocated to the county for a calendar year for use in the next calendar year if up to five percent of the amount allocated has not been spent or encumbered in the current calendar year, except that the amount carried forward would be reduced by the amount the county wishes to place in a risk reserve, and allow DHS to transfer funds within the long-term care appropriation

to accomplish this purpose. Provide that the sum carried forward would not affect a county's base allocation, and would lapse to the general fund if not spent in the calendar year to which the funds were carried forward. Prohibit a county from using funds carried forward for administrative or staff costs, unless those costs are associated with implementation of the MA waiver requested to operate CCOP and use of the funds in this manner is approved by DHS. DHS could carry forward funds for a private, nonprofit organization if the organization continues to be eligible to provide services in the subsequent calendar year. Specify that the current policy that allows DHS to carry forward 10 percent of funds for emergencies, justifiable unit service costs above planned levels, and increased costs due to population shifts also applies to private, nonprofit organizations providing CCOP services, and that the amount carried forward would not affect the private, nonprofit organization's base allocation.

Authorize DHS to request a waiver from the U.S. Department of Health and Human Services to allow for the provision of services under the MA program to children who are eligible for CCOP services. Require that reimbursement for services to a county or private, nonprofit agency administering the program be made from the long-term care, federal aid for MA, and community aids and MA payments appropriations, and that payments made for assessment, service, and administrative costs may be used as the state share for the purposes of MA reimbursement. Allow DHS to contract with a county or private, nonprofit agency to provide CCOP services under the MA waiver. Prohibit counties and nonprofit agencies from using funds received under an MA waiver to provide residential services in a group home, defined as any licensed facility operated by a person for the care and maintenance of five to eight children, with more than five beds, unless DHS approves the provision of services in a home with six to eight beds.

Risk Reserve. Specify that a county may place funds allocated for CCOP that are not expended or encumbered in a risk reserve. Specify that the county must notify DHS of the decision and the amount to be placed in the risk reserve. DHS must review and approve or disapprove the terms of the risk reserve escrow account. Provide that if DHS approves the risk escrow account, the county must maintain the risk reserve in an interest-bearing escrow account with a financial institution, and any interest earned on the account must be reinvested in the account. Specify that a county may not expend more than 10 percent of the county's most recent allocation or $750,000, whichever is less, for a risk reserve, and that the total amount of the risk reserve, including interest, may not exceed 15 percent of the county's most recent CCOP allocation. Provide that a county may expend risk reserve funds to pay CCOP expenses, and for administrative or staff costs if approved by DHS. Require counties that maintain risk reserves to annually report the status of the risk reserve, including revenue and disbursements, on a form provided by DHS.

Permit DHS to carry forward to the next fiscal year any funds allocated to counties but not encumbered or carried forward by counties, and to transfer money within the long-term care appropriation to accomplish this purpose. Permit DHS to allocate transferred moneys to counties during the subsequent fiscal year for the improvement or expansion of long-term community support services for clients whose cost of care significantly exceeds the average cost of care, including to provide the following: (a) specialized training for individuals providing services to CCOP recipients; (b) start-up costs for developing needed services; (c) home modifications; and

(d) purchase of medical or other specially adapted equipment. Specify that funds allocated through this process may not be used to replace other state, federal, or county funds provided under any program to a family whose child is receiving services through CCOP.

Family Support Program. Repeal all statutory references to the FSP.

Effective Date. Provide that all of these provisions would take effect January 1, 2016.

Joint Finance: Modify the bill to reflect the following changes to CCOP:

a. Specify that children are eligible for the program if they are under 22 years of age and not eligible to receive services in, or be on a waitlist for, an adult long-term care program;

b. Specify under the definition of disability that an individual may be considered disabled if they have a hospital level-of-care, which has resulted or is likely to result in a substantial limitation on the ability to function related to self-care, receptive and expressive language, learning, mobility, and self-direction;

c. Require that the Department consult with programs that provide community-based services to children or families, other publicly funded programs, and social services, mental health, and developmental disabilities programs, including the community aids program, community mental health, developmental disabilities, alcoholism, and drug abuse services, the independent living center program, and the Medical Assistance program (Under the Governor's bill, DHS would be required to consult with "hospitals and other institutional settings".);

d. Specify under duties of participating county departments that a description of the proposed program operations must be included in the program plan;

e. Specify that the program plan shall include a description of the outreach procedures that will be used to ensure that the program will be made available to children with developmental disabilities, rather than children with mental impairments;

f. Require that participating county departments submit the proposed CCOP plan to the Department upon approval by the CCOP advisory committee, rather than approval of the county board of supervisors in each county in the service area; and

g. Specify that the Department may contract with a private, non-profit agency to administer the program, and that the duties of administering agencies apply to a county or agency under contract to provide services under CCOP.

3. TRANSFER INDEPENDENT LIVING GRANTS FROM DEPARTMENT OF WORKFORCE DEVELOPMENT [LFB Paper 731]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$68,400	$0	$68,400
FED	597,400	1,200,000	1,797,400
PR	1,200,000	0	1,200,000
Total	$1,865,800	$1,200,000	$3,065,800

Governor: Provide $932,900 ($34,200 GPR, $298,700 FED, and $600,000 PR) annually to reflect the transfer of funding currently budgeted to support independent living centers (ILCs) from the Department of Workforce Development (DWD) to DHS.

Create a PR appropriation that would permit DHS to make grants to ILCs from moneys transferred from a DWD federal program aids appropriation, funded at $600,000 per year, and modify the federal DWD appropriation to require DWD to transfer $600,000 annually to the new PR appropriation in DHS. In addition, provide $298,700 FED annually to reflect that DHS, rather than DWD, would receive federal funds directly to support grants to ILCs. Finally, provide $34,200 GPR annually to DHS, rather than DWD, to serve as the state match for federal grants. Authorize DHS to make grants to independent living centers using PR and FED funds, in addition to its current authority to use GPR funds for this purpose. Repeal a provision that requires DWD to allocate $600,000 in reimbursement received from the federal Social Security Administration for grants to ILCs.

Currently, both DHS and DWD are budgeted funding to support ILCs providing nonresidential services to severely disabled individuals. Under the bill, all grant funding would be budgeted in DHS, which would administer the program.

Joint Finance: Increase funding by $600,000 FED annually to correct the amount of federal funds that would be transferred from DWD to DHS under this provision. Specify that DHS make grants for independent living services and independent living centers, in accordance with the purposes for which the funds were received.

4. DEMENTIA CARE SPECIALISTS [LFB Paper 360]

GPR	$960,000
FED	168,000
Total	$1,128,000

Governor/Joint Finance: Provide one-time funding of $1,128,000 ($960,000 GPR and $168,000 FED) in 2016-17 to support dementia care specialists in aging and disability resource centers (ADRCs).

Dementia care specialists provide cognitive screening and programs that engage individuals with dementia in regular exercise and social activities, promote independence for individuals with dementia, and facilitate the participation of individuals with dementia in research studies to understand the causes of, and explore treatment options for, dementia. They also provide support for family caregivers, including assistance with care planning and connections to support groups. Finally, they provide community support, assisting in the

development of dementia-friendly communities through increased civic awareness and dementia-capable emergency response.

DHS awarded one-time funding for dementia care specialists to five ADRCs in calendar year 2013, and to an additional 11 ADRCs in calendar year 2014 to support services through calendar year 2015. ARDCs received $80,000 GPR and $14,000 FED per dementia care specialist. The current dementia care specialists provide services in ADRCs serving 26 counties.

5. PROMISSORY NOTES COUNTED AS ASSETS

GPR	- $300,000
FED	- 450,000
Total	- $750,000

Governor/Joint Finance: Reduce funding by $250,000 (-$100,000 GPR and -$150,000 FED) in 2015-16 and $500,000 (-$200,000 GPR and -$300,000 FED) in 2016-17 to reflect estimates of savings to MA benefit costs that would result from counting promissory notes as assets in eligibility determinations for MA (in cases where an individual's assets are considered) and MA-supported long-term care programs, including the community options program, community integration programs, community opportunities and recovery program, Family Care, Family Care Partnership, and IRIS.

For these purposes, define a promissory note as a written, unconditional agreement given in return for goods, money loaned, or services rendered under which one party promises to pay another party a specified sum of money at a specified time or on demand. Provide that, when determining or redetermining an individual's financial eligibility for a long-term care program, DHS must include a promissory note as a countable asset if all of the following apply: (a) the individual applying for MA, or his or her spouse, provided the goods, money loaned, or services rendered for the promissory note; (b) the promissory note was entered into on or after the effective date of the bill; and (c) the promissory note is negotiable, assignable, enforceable, and not unmarketable. Specify that a promissory note is presumed negotiable and its asset value is the outstanding principal balance at the time of application for the long-term care program or at the time eligibility for the long-term care program is redetermined, unless the individual shows by credible evidence from a knowledgeable source that the note is nonnegotiable or has a different current value, which will then be considered the asset value.

Provide that the purchase or entering into of a promissory note by an individual or his or her spouse on or after the effective date of the bill is considered a transfer of assets for less than fair market value unless the promissory note's repayment term is actuarially sound, the payments are to be made in equal amounts during the term of the loan with no deferral and no balloon payment, cancellation of the balance upon death of the lender is prohibited, and the promissory note is negotiable, assignable, enforceable, and does not contain any terms making it unmarketable.

Provide that the value of a promissory note purchased before the effective date of the bill that does not satisfy requirements (a) through (c) above is the outstanding balance due on the date that the individual applies for MA for nursing facility or other long-term care services. Specify that the value of a promissory note purchased or entered into on or after the effective date of the bill that does not satisfy requirements (a) through (c) above is the outstanding balance

on the date that the individual applies for MA for nursing facility or other long-term care services, or on the date that the individual's eligibility is redetermined.

Under current law, institutionalized individuals and noninstitutionalized individuals participating in long-term care programs must meet certain asset requirements to qualify for MA. Individuals participating in long-term care programs are not eligible for MA-funded long-term care services if they transfer certain property at less than fair market value, either while they are receiving MA-funded services or within 60 months before the first day that they were both eligible for MA and receiving MA-funded long-term care services. Such a transfer is considered divestment. With limited exceptions, individuals engaging in divestment are not eligible for MA services for a divestment penalty period, which is equal to the number of days of private pay nursing home care that could have been paid for with the amount of resources that were divested.

6. FUND CHILDREN'S LONG-TERM CARE SERVICES AND OTHER PROGRAMS BENEFITING CHILDREN WITH EXCESS SCHOOL-BASED SERVICES REVENUE [LFB Paper 361]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$752,100	$752,100
FED	0	1,047,100	1,047,100
Total	$0	$1,799,200	$1,799,200

Governor: Require DHS to deposit any funds the state retains for federal MA claims for school-based health care services that exceed $42,200,000 in 2015-16, and $41,700,000 in 2016-17 and each fiscal year thereafter to the MA trust fund. Provide that all of these excess funds would be credited to a current SEG appropriation, which DHS would use to fund reductions in waiting lists for children's long-term care services and other programs benefiting children.

Currently, the state claims federal MA matching funds for eligible school-based health care services that schools provide to children enrolled in the MA program. Of the federal MA matching funds the state receives, 60% is forwarded to the schools, and 40% is retained by the state and deposited to the general fund. As the administration estimates that $42,200,000 in 2015-16 and $41,700,000 in 2016-17 will be deposited to the general fund from this source, it is not assumed that any additional funding would be provided to support children's long-term care support services and other programs benefitting children. However, under this provision, should the state's share of these MA revenues exceed these statutory amounts, the excess funding would be allocated to reduce waiting lists for children's long-term care services and other programs benefitting children, rather than be deposited to the state's general fund.

The children's long-term support (CLTS) waiver program provides MA-funded, community-based supports and services to physically and developmentally disabled children, including children with autism, and children with severe emotional disturbance. As of December, 2014, approximately 5,600 children were enrolled in the CLTS waiver program and approximately 2,200 children were on waiting lists for long-term care services.

Joint Finance: Include provision. In addition, provide $886,300 ($370,100 GPR and $516,200 FED) in 2015-16 and $912,900 ($382,000 GPR and $530,900 FED) in 2016-17 to fund services to approximately 50 children on the CLTS and autism services waitlists, beginning in 2015-16.

7. MA REIMBURSEMENT FOR NURSING HOMES [LFB Paper 362]

GPR	$3,186,300
FED	4,431,100
Total	$7,617,400

Joint Finance: Provide $7,617,400 ($3,186,300 GPR and $4,431,100 FED) in 2016-17 to fund a 1% acuity increase for nursing homes, beginning in 2016-17.

Additionally, direct the Department to study the labor region methodology, and to submit a report to the Legislature that proposes changes to the labor region methodology, as necessary, such that any proposed labor region methodology results in adjustments to direct care costs that reflect labor costs for nursing homes in each county no later than July 1, 2016. Prohibit DHS from implementing any proposed changes without enactment of authorizing legislation.

8. EXEMPT INSTITUTIONS FOR MENTAL DISEASE AND STATE-ONLY LICENSED NURSING HOMES FROM BED ASSESSMENT

SEG-REV	- $640,600
GPR	$640,600
SEG	- 640,600
Total	$0

Joint Finance: Exempt county government-owned institutions for mental disease (IMDs) and facilities that are state-licensed but not certified to participate in the Medicaid or Medicare programs from the nursing home bed assessment, unless CMS determines that exempting these facilities would not be permissible under federal statutes or rules relating to state health care provider assessments.

Reduce estimates of segregated revenue to the MA trust fund for MA benefits by $320,300 annually. Reduce MA SEG benefits funding by $320,300 annually and increase GPR funding for MA benefits by a corresponding amount to reflect the estimated fiscal effect of exempting these facilities from the nursing home bed assessment.

9. COUNTY-TO-COUNTY NURSING HOME BED TRANSFERS

Joint Finance: Require DHS to develop a policy that specifies the procedures for applying for, and receiving approval of, the transfer of available, licensed nursing home beds among counties. Require the Department to report to the Joint Committee on Finance no later than July 1, 2016.

10. HEALTHY AGING GRANTS

GPR	$400,000

Joint Finance: Provide $200,000 in one-time funding each year of the 2015-17 biennium for a grant to a private, non-profit entity that will use these funds to conduct the following

activities: (a) coordinate the implementation of evidence-based health promotion programs in healthy aging; (b) coordinate with academic and research institutes regarding research on healthy aging; (c) serve as a statewide clearinghouse on evidence-based disease prevention and health promotion programs; (d) provide training and technical assistance to the staff of county departments, administering agencies, and other providers of services to aging populations; (e) collect and disseminate information on disease prevention and health promotion in healthy aging; (f) coordinate public awareness activities related to disease prevention and health promotion in aging; and (g) advise the Department on public policy issues concerning disease prevention and health promotion in aging. Create an annual GPR appropriation, entitled "Healthy aging; evidence-based training and prevention" among the Department's programs for disability and elder services, which shall be repealed on July 1, 2017.

11. PROVISION OF ADDITIONAL NURSING HOME BEDS

Joint Finance: Require the Department of Health Services to redistribute three nursing home beds that are currently available under the statewide bed limit to a facility that meets all of the following criteria: (a) has a licensed bed capacity of no more than 75, on the effective date of the bill; (b) is covered by a continuing care permit under s. 647.02 of the statutes, on the effective date of the bill; (c) is located in a county with a population of at least 380,000 and adjacent to a county with a population of at least 750,000, on the effective date of the bill; and (d) for which the facility has applied for the beds using an application that, on a form provided by the Department, includes the applicant's per diem operating and capital rates. The only facility in the state that meets criteria (a) through (c) is Tudor Oaks Health Center in Muskego, WI.

Medical Assistance -- Administration

1. CREATE THE DIVISION OF MEDICAID SERVICES [LFB Paper 365]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	6.89	$0	0.00	$0	6.89
FED	- 588,400	- 6.89	- 233,000	- 1.00	- 821,400	- 7.89
Total	- $588,400	0.00	- $233,000	- 1.00	- $821,400	- 1.00

Governor: Reduce funding by $588,400 (-$297,200 GPR and -$291,200 FED) in 2015-16 and increase funding by $297,200 GPR and decrease funding by $297,200 FED in 2016-17 to reflect the net effect of consolidating the Division of Health Care Access and Accountability (DHCAA) with MA-funded long-term care programs administered by the Division of Long-Term Care (DLTC) to create a new Division of Medicaid Services (DMS). Beginning in 2015-

16, convert 6.89 FED positions, which are currently supported by the Social Services Block Grant, to GPR positions for the general program operations of DMS.

Rename and renumber appropriations formerly under DHCAA and DLTC to reflect the inclusion of long-term care services in DMS appropriations. Modify statutory references to reflect appropriations that would be created, repealed, and modified in the bill.

Require DHS to submit to the State Budget Office in the Department of Administration a report on the final organization of DMS before March 31, 2016. Transfer the unencumbered balances of all appropriations that would be repealed to corresponding appropriations in DMS on the effective date of the bill. All balances encumbered by DLTC would be settled out of the appropriations under DLTC. Under the bill, all positions formerly budgeted in DLTC would be transferred to DMS. Consequently, DLTC would not be replaced by another division with fewer staff or administrative responsibilities.

Joint Finance: Adopt the Governor's recommendations. In addition, delete 1.00 FED unclassified division administrator position, beginning in 2015-16, which was retained by DHS when the Department of Children and Families was created, but has remained vacant since 2011. Reduce funding by $116,500 FED annually to reflect the elimination of this position. Additionally, delete 1.00 GPR unclassified division administrator position as of June 30, 2017, which currently serves as the Administrator of the Division of Long-Term Care. Reduce by one the statutory number of unclassified positions in DHS on the bill's effective date, and reduce by one the statutory number of unclassified positions in DHS, effective June 30, 2017.

The following table identifies the funding and position transfers in the substitute amendment.

Transfer of Funding and Positions to Create the Division of Medicaid Services

	Funding						Positions Beginning in 2015-16		
	2015-16			2016-17					
	GPR	FED	PR	GPR	FED	PR	GPR	FED	PR
Division of Medicaid Services (Formerly DHCAA)									
Contracted Services for MA, FoodShare, Resource Centers, and Other Entities Performing Resource Center Functions	$5,895,300	$8,513,700		$6,441,300	$8,243,200				
Administration -- Federal Program Operations		5,666,900			5,666,900			55.99	
Federal Program Operations -- Aging Programs		1,942,600			1,942,600			15.74	
Federal Projects Operations		4,214,400			4,214,400			9.39	
Interagency and Intra-Agency Aids			$1,783,300			$1,783,300			15.24
Administrative Services Supported by Fees			30,000			30,000			
Recovery of Costs -- Birth-to-3 Program			84,300			84,300			
Audits and Investigations Supported by Provider Assessments			19,200			19,200			0.20
Gifts and Grants; Health Care Financing			276,100			270,100			
Interpreter Services for the Hearing Impaired Supported by Fees			39,900			39,900			
Disabled Children's Support Waiver Supported by Fees, Collections and Recoveries			1,567,100			1,567,300			
County Contributions for Family Care, Birth-to-3 and the Children's Long-Term Support Program			42,904,200			42,749,000			
Third Party Administrator for Children's Long-Term Care Programs			12,165,500			12,165,500			
Community Options Programs and Long-Term Care Support Pilot Programs	24,982,000			20,443,300					
Community Options Programs and Family Care Management Organizations	59,083,400			59,877,900					
General Program Operations	9,281,200			9,281,100			62.39		
Programs for Disability and Elder Services (Formerly DLTC)									
Social Services Block Grant -- Local Assistance		1,326,600			1,258,600				
MA -- State Administration		-14,180,600			-13,910,100			-55.99	
Federal Program Operations -- Aging Programs		-1,942,600			-1,942,600			-15.74	
Social Services Block Grant -- Aids to Individuals and Organizations		-873,700			-811,700				
Social Services Block Grant -- Operations		-744,100			-744,100			-6.89	
Federal Project Operations		-4,214,400			-4,214,400			-9.39	
Interagency and Intra-Agency Programs			-1,783,300			-1,783,300			-15.24
Fees for Administrative Services			-30,000			-30,000			
Recovery of Costs for Long-Term Care Programs			-84,300			-84,300			
Gifts and Grants -- Long-Term Care			-276,100			-270,100			
Interpreter Services for the Hearing Impaired Supported by Fees			-39,900			-39,900			
Third Party Administrator for Children's Long-Term Care Programs			-12,165,500			-12,165,500			
Disabled Children's Support Waiver Supported by Fees, Collections and Recoveries			-1,567,100			-1,567,300			
Regulation of Health Services Supported by Application Fees under Chapter 150			-19,200			-19,200			-0.20
County Contributions for Family Care, Birth-to-3 and the Children's Long-Term Support Program			-42,904,200			-42,749,000			
Community Options Programs and Long-Term Care Support Pilot Programs	-24,982,000			-20,443,300					
Community Options Programs and Family Care Management Organizations	-59,083,400			-59,877,900					
Community Aids	-1,326,600			-1,258,600					
Community Aids -- Family Care Resource Centers	235,300			761,700					
General Program Operations	-14,382,400			-14,928,300			-55.50		
Net Fiscal Effect	**-$297,200**	**-$291,200**	**$0**	**$297,200**	**-$297,200**	**$0**	**6.89**	**-6.89**	**0.00**

2. FOODSHARE EMPLOYMENT AND TRAINING (FSET) PROGRAM [LFB Paper 366]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$18,110,900	- $18,597,500	- $486,600
FED	18,915,600	2,633,000	21,548,600
Total	$37,026,500	- $15,964,500	$21,062,000

Governor: Provide $7,070,500 ($1,139,200 GPR and $5,931,300 FED) in 2015-16 and $29,956,000 ($16,971,700 GPR and $12,984,300 FED) in 2016-17 to fund the annualized costs of providing FoodShare employment and training (FSET) services to certain able-bodied adults without dependent children (ABAWDs), who may seek these services as one way of fulfilling work requirements enacted under 2013 Act 20. Under these requirements, ABAWDs are limited to three months of FoodShare benefits unless they work an average of 20 hours per week, participate in and comply with the requirements of a work program for 20 hours per week, or spend 20 hours per week in any combination of work and participation in a work program. The work requirements were implemented in Kenosha, Racine, and Walworth Counties in July, 2014, and the remaining counties in April, 2015. FSET services are also available to other adult FoodShare recipients who wish to participate in the program.

FSET is intended to provide education, skills, and work experience to enable FoodShare recipients, including ABAWDs, to obtain competitive employment and enhance earning potential. The program is supported with: (a) a $1.5 million annual FED allocation that requires no state match for services that enable individuals to obtain unsubsidized employment; (b) FED funds that match state and local funds for administrative expenses that exceed the 100% federal allocation and for expenses directly related to supportive services to participating individuals; (c) GPR base funding for FSET service costs; and (d) county contributions.

Under Act 20, the amount of state and federal funding budgeted for FSET services for ABAWDs in 2014-15 ($22,958,400 all funds) was based on the assumption that the work requirements would take effect in Kenosha, Racine, and Walworth counties in July, 2014, three other regions by October, 2014, and the rest of the state by January, 2015. Consequently, the agency's base funding for FSET services for ABAWDs does not reflect the annualized, statewide costs of these services.

There are two sources of federal funding for FSET: (a) $1.5 million annually, with no match requirement; and (b) funds that match state and county funds for eligible administration and service costs. Although it is anticipated that both FED sources would support FSET services for non-exempt ABAWDs and voluntary FSET participants, the table allocates the $1.5 million exclusively for FSET services for voluntary participants. The bill would also provide $1,555,000 GPR annually for DHS to provide to FSET vendors to retain or attract local funding, which DHS refers to as "incentive bonuses."

Joint Finance: Modify the Governor's recommendation by increasing funding in the bill by $31,800 (-$1,625,800 GPR and $1,657,600 FED) in 2015-16 and by $376,600 (-$598,800

GPR and $975,400 FED) in 2016-17 to reflect the following program cost estimates.

FSET Expenditures by Funding Source and Year
Joint Finance Recommendations

	GPR	County	FED	Total
2015-16				
FSET Services				
Non-Exempt ABAWDs	$17,588,700	$1,423,700	$23,625,400	$42,637,800
Voluntary Participants	3,413,700	276,300	3,477,000	7,167,000
Subtotal -- Services	$21,002,400	$1,700,000	$27,102,400	$49,804,800
FSET Administration				
DHS Program Management	$250,000	$0	$250,000	$500,000
Program Evaluation	125,000	0	125,000	250,000
Incentive Bonus	1,550,000	0	1,550,000	3,100,000
Subtotal -- Administration	$1,925,000	$0	$1,925,000	$3,850,000
GPR Carryover from Previous Year	-$9,488,662	$0	$0	-$9,488,662
Base Funding	-13,925,300	-1,700,000	-21,438,500	-37,063,800
Change to Base	-$486,600	$0	$7,588,900	$7,102,300
2016-17				
FSET Services				
Non-Exempt ABAWDs	$24,580,600	$1,481,900	$29,026,300	$55,088,800
Voluntary Participants	3,617,600	218,100	4,271,900	8,107,600
Subtotal -- Services	$28,198,200	$1,700,000	$33,298,200	$63,196,400
FSET Administration				
DHS Program Management	$250,000	$0	$250,000	$500,000
Program Evaluation	300,000	0	300,000	600,000
Incentive Bonus	1,550,000	0	1,550,000	3,100,000
Subtotal -- Administration	$2,100,000	$0	$2,100,000	$4,200,000
GPR Carryover from Previous Year	$0	$0	$0	$0
Base Funding	-13,925,300	-1,700,000	-21,438,500	-37,063,800
Change to Base	$16,372,900	$0	$13,959,700	$30,332,600

In addition, due to uncertainty regarding future program costs, transfer $16,372,900 GPR, the amount of the net funding increase in 2016-17, to the Joint Committee on Finance program supplements appropriation. DHS could seek the release of these funds under s. 13.10 to support FSET program costs in 2016-17. See "Program Supplements."

3. MA AND FOODSHARE ADMINISTRATION CONTRACTS [LFB Paper 367]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$11,111,500	- $2,058,500	$9,053,000
FED	9,090,600	- 3,532,900	5,557,700
PR	0	- 121,600	- 121,600
Total	$20,202,100	- $5,713,000	$14,489,100

Governor: Provide $9,454,100 ($4,703,300 GPR and $4,750,800 FED) in 2015-16 and $10,748,000 ($6,408,200 GPR and $4,339,800 FED) in 2016-17 to fund the difference between the estimated cost of contracted services for the administration of the state's MA and FoodShare programs in each year of the 2015-17 biennium and base funding for these contracts. This item does not include funding changes for contracts with income maintenance consortia, which perform eligibility determination and case management functions for these programs, or funding changes for state staff that perform program management functions.

Fiscal Agent Contract (HP). The fiscal agent for the MA program, currently HP Enterprise Services, processes provider claims and provides member and provider enrollment services, provides customer service for members and providers, produces summary reports, conducts program integrity functions, and maintains the Medicaid Management Information System (MMIS). The bill would provide additional funding to support higher costs for a newly-renegotiated five-year contract, including: (a) a higher "flat fee" component of the contract; (b) increased funding to support projects that are expected to reduce benefits costs and meet federal requirements and other program objectives; (c) inflationary increases incorporated in the contract; and (d) continuation of projects to implement provisions of the federal Affordable Care Act.

CARES (Deloitte). The Client Assistance for Re-employment and Economic Support (CARES) system assists state and county staff in determining applicants' eligibility for MA, SeniorCare, FoodShare, Wisconsin Shares, and TANF/W-2. DHS contracts with Deloitte for programming, analysis and maintenance tasks for CARES. The bill would provide additional funding to increase the number of budgeted hours of services Deloitte will provide, from approximately 189,600 hours budgeted in 2014-15 under 2013 Act 20, to 234,000 hours in each year of the 2015-17 biennium to support current operations, maintenance and reporting requirements, new projects to meet federal requirements, and to implement state initiated program changes. In 2014-15, DHS expects to purchase approximately 270,600 hours of services from Deloitte. The estimate also reflects a provision in the current contract that increases the hourly rate DHS pays for these services, from $104 to $109 per hour, beginning in 2016, and $115 per hour, beginning in 2017. In addition, it is anticipated that a greater portion of these services will be for maintenance, rather than development services (for which greater federal cost-sharing is available), resulting in an increase in GPR and a corresponding reduction of FED needed to support the contract.

Minor funding changes are requested for other CARES-related costs, including hosting and data storage charges DHS pays to the Department of Administration's Division of Enterprise

Technology.

Other Contracts (Various Entities). DHS contracts with several other entities to provide administrative services to the MA program, including rate-setting for hospitals, actuarial services, assistance in claiming federal funds for MA-eligible school-based medical services and services provided by counties, and consulting services. The bill would make minor funding changes for these contracts.

Base funding for these contracts is $142,870,000 ($48,816,200 GPR and $94,053,800 FED).

Division of Long-Term Care Contracts. The Division of Long-Term Care funds contracted services for MA long-term care programs as part of the Division's general program operations budget. These services include CARES, allocated costs from the fiscal agent contract, actuarial services, nursing home rate-setting, quality review, and external advocacy services. The bill would provide $724,900 ($674,900 GPR and $50,000 FED) in 2015-16 and $1,000,300 ($1,220,800 GPR and -$220,500 FED) in 2016-17 to increase funding for contracted services.

Joint Finance: Modify the bill as follows: (a) reduce funding by $720,000 (-$280,800 GPR and -$439,200 FED) annually to reduce by 10% the amount of funding budgeted for the state's fiscal agent to conduct planned projects; (b) reduce funding by $340,000 (-$170,000 GPR and -$170,000 FED) in 2016-17 to fund the contract for the enrollment broker in 2016-17 at the same level as 2015-16 ($2,000,000 annually); and (c) reduce funding by $1,917,000 (-$644,600 GPR, -$60,800 PR and -$1,211,600 FED) in 2015-16 and by $2,016,000 (-$682,300 GPR -$60,800 PR and -$1,272,900 FED) in 2016-17 to fund 216,000 hours of contracted work for CARES modifications per year, a 20% increase from the number of contracted hours budgeted in the 2015-17 biennium (180,000 hours), rather than a 30% increase (234,000 hours per year), as recommended by the Governor. In addition, transfer $530,600 GPR and $2,737,900 FED annually from a general program operations appropriations to the appropriations that fund contracted services to consolidate funding for contracts in these appropriations.

4. INCOME MAINTENANCE CONSORTIA FUNDING ALLOCATIONS [LFB Paper 368]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $4,401,500	0.00	- $6,518,000	- 9.10	- $10,919,500	- 9.10
FED	24,317,400	0.00	- 3,511,100	- 8.40	20,806,300	- 8.40
Total	$19,915,900	0.00	- $10,029,100	- 17.50	$9,886,800	- 17.50

Governor: Provide $10,836,600 (-$3,021,600 GPR and $13,858,200 FED) in 2015-16 and $9,079,300 (-$1,379,900 GPR and $10,459,200 FED) in 2016-17 to support services performed by IM consortia and tribes for the administration of the MA and FoodShare programs. The funding changes reflect several factors.

First, DHS would maintain base contract funding amounts for consortia and tribes ($27,883,800 all funds) through calendar year (CY) 2017. However, the funding in the bill reflects the administration's assumption that the state will claim and receive enhanced federal matching funds for base allocations and supplemental funds for IM consortia to implement the federal Affordable Care Act (ACA), equal to approximately 60% of costs, rather than the regular 50% rate applicable to these functions, through CY 2015. Under the ACA, states may receive enhanced federal matching funds to support 75% of the cost of certain eligibility work. Based on workload and time reporting, the administration estimated that the resulting "blended" matching rate for IM functions would be 60% through CY 2015.

Second, beginning in CY 2016, DHS would reduce supplemental funding the agency provided to IM consortia budgeted in 2013 Wisconsin Act 20 (the 2013-15 biennial budget act) to meet workload relating to additional responsibilities for IM agencies to implement the ACA, including anticipated increases in BadgerCare Plus enrollment, from $9,814,800 (all funds) in CY 2015 to $4,907,400 (all funds) in CY 2016 to $2,453,700 (all funds) in CY 2017. However, no base funding for the supplement would be deleted from the DHS budget. Instead, the GPR and FED savings resulting from the phase down of the ACA supplemental funds would be placed in unallotted reserve ($1,192,200 GPR and $1,174,500 FED in 2015-16 and $3,069,100 GPR and $3,069,100 FED in 2016-17).

Third, the bill would maintain annual supplemental funding ($4,730,100 all funds) through CY 2017 to support workload relating to work requirements for FoodShare recipients who are able-bodied adults without dependent children (ABAWDs).

Finally, the funding change under this item reflects a change in the allocation of state fiscal year funds to support county IM consortia calendar year allocations. Under Act 20, DHS was budgeted funding to enable it to pay three months of calendar year IM expenses in the first half of the calendar year and the remaining nine months of calendar year IM expenses in the second half of the calendar year (from the next fiscal year's appropriation), creating a one-time savings in state funds. The funding in the Governor's 2015-17 biennial budget bill would enable DHS to return to the previous practice of paying IM consortia 50% of the state fiscal year funding in the first half of one calendar year and 50% of the next fiscal year funding in the second half of the same calendar year.

The following table summarizes actual 2014 (all funds) IM allocations to the consortia and tribes and CY 2015, 2016, and 2017 allocations under the Governor's budget recommendations.

Budgeted Calendar Year Income Maintenance Allocations (All Funds)*
Governor's Recommendations

	Actual	Governor's Recommendations		
	2014	2015	2016	2017
Base Allocation	$27,674,500	$27,883,800	$27,883,800	$27,883,800
Affordable Care Act Supplement	18,060,000	9,814,800	4,907,400	2,453,700
FoodShare Work Requirement Supplement	725,500	4,730,100	4,730,100	4,730,100
Total	$46,460,000	$42,428,700	$37,521,300	$35,067,600

*Excludes county-funded costs and federal match the state claims for county-funded costs and potential increases to the ACA supplement from moneys budgeted in unallotted reserve.

Joint Finance: Modify the bill as follows.

ACA Supplemental Funding. Reduce funding budgeted in DHS for income maintenance consortia and tribes to meet workload relating to the federal Affordable Care Act by $1,716,000 (-$1,755,000 GPR and $39,000 FED) in 2015-16 and by $3,070,100 ($8,800 GPR and -$3,078,900 FED) in 2016-17 to reflect reestimates of funding needed for this purpose, including the assumption that enhanced funding would be available for costs through calendar year 2016, and the deletion of federal funding budgeted in unallotted reserve. In addition, transfer funding the Governor recommended be provided in unallotted reserve ($1,192,200 GPR in 2015-16 and $3,069,100 GPR in 2016-17) to the Joint Committee on Finance program supplements appropriation. DHS could seek the release of this funding, using the procedures under s. 13.10 of the statutes, to supplement funding allocations to IM consortia and tribes if DHS determines there is a need to supplement budgeted IM allocations to meet ACA-related workload costs. See "Program Supplements."

FoodShare Work Requirement Supplement. Modify the bill to budget all GPR funding for the FoodShare work requirement supplement for 2016-17 ($2,365,000) in one-time funding so that it would be removed as a standard budget adjustment as part of the 2017-19 budget.

MilES Staff and Funding. Delete 17.5 positions (-9.10 GPR positions and -8.40 FED positions) in MilES, beginning in 2016-17, to reduce by 25% the number of additional positions provided in 2013 Act 20 (the 2013-15 budget act) for DHS to meet workload relating to the ACA and BadgerCare Plus eligibility requirements. Reduce funding in the bill by $981,700 (-$510,500 GPR and -$471,200 FED) in 2016-17 to delete base funding budgeted for these positions.

5. FUNERAL AND CEMETERY AIDS [LFB Paper 369]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	$242,000	$168,000	$410,000
GPR	$327,400	- $1,399,400	- $1,072,000
FED	242,000	0	242,000
PR	- 410,000	0	- 410,000
Total	$159,400	- $1,399,400	- $1,240,000

Governor: Provide $20,800 GPR in 2015-16 and $138,600 ($306,600 GPR, $242,000 FED, and -$410,000 PR) in 2016-17 and increase estimated revenue to the general fund by $242,000 in 2016-17 to reflect the following items relating to the Wisconsin funeral and cemetery aids program (WFCAP).

Cost-to-Continue Reestimate. Provide $382,900 GPR in 2015-16 and $862,600 GPR in 2016-17 to fund projected increases in the cost of reimbursing funeral homes, cemeteries, and crematories for eligible expenses, based on current law.

Coverage of Reimbursable Expenses under Life Insurance Policies. Provide that, if a recipient, the recipient's spouse, or another person owns a life insurance policy insuring the recipient's life and the face value of the policy is more than $3,000, any amount that DHS is obligated to pay under WFCAP would be reduced by one dollar for every dollar by which the face value of the policy exceeds $3,000. Reduce funding by $362,100 GPR in 2015-16 and by $724,100 GPR in 2016-17 to reflect estimates of the reduction in reimbursable costs that would result from this change.

Recovery of Funeral and Cemetery Aids Payments from the Decedent's Estate and Estate of Surviving Spouse. Require DHS to pursue recovery of WFCAP payments provided on behalf of a decedent by making a claim in the decedent's estate and the estate of the decedent's surviving spouse. For this purpose: (a) modify the current statutory definition of a "nonclient surviving spouse" under the estate recovery statutes as any person who was married to a client while the client was receiving or when the client received services or aid for which the costs may be recovered and who survived the client; and (b) modify the current definition of a "nonrecipient surviving spouse" to be any person who was married to a recipient while the recipient was receiving or when the recipient received public assistance and who survived the recipient.

However, unlike other benefits for which DHS pursues recoveries, DHS would pursue recoveries for funeral and cemetery aids benefits even if the decedent on whose estate the claim is made has a surviving spouse or a surviving child who is under the age of 21 or disabled. Further, DHS could not waive recovery of funeral and cemetery benefits if the agency determined that recovering the amount paid on the decedent's behalf would constitute an undue hardship.

Increase estimated revenue to the general fund by $242,000 in 2016-17 to reflect the

administration's estimates of amounts that would be recovered under this provision. However, almost all amounts recovered under WFCAP would reduce amounts that would otherwise be recovered under the MA estate recovery program. Consequently, increase funding for MA benefits by $168,100 GPR and $242,000 FED in 2016-17 to replace funding that would otherwise be available from these recoveries. Reduce MA benefits funding supported by MA recoveries by $410,000 PR in 2016-17.

Provide that all the statutory changes would first apply to individuals receiving funeral and cemetery aids benefits who die on the bill's general effective date.

Joint Finance: Modify the bill as follows.

Cost-to-Continue Funding. Reduce funding budgeted in DHS for WFCAP by $970,700 GPR in 2015-16 and $428,700 GPR in 2016-17 to reflect a reestimate of the amount of funding that will be needed to support program costs in the 2015-17 biennium. However, rather than delete this funding from the bill, budget this amount of funding in the Joint Finance Committee's program supplements appropriation. Should the amounts budgeted for the program in DHS be insufficient to fully fund program costs, DHS could seek the release of some or all of this funding from the Committee under procedures specified under s. 13.10 of the statutes. See "Program Supplements."

Recovery of WFCAP Payments. Adopt the Governor's recommendations, but increase estimates of GPR revenues that would be received due to the estate recovery provisions by $168,000 in 2016-17. In addition, incorporate the following changes to reflect the administration's intent. First, revise the definition of a "nonclient surviving spouse" under the estate recovery statutes to mean either: (a) a person who was married to a client when the client was receiving or received services or aid for which the costs may be recovered and who survived the client; or (b) a person who was married to a client on whose behalf funeral, burial, or cemetery expenses aid was paid, who was married to the client at the client's death, or when the client was receiving or received any of the WFCAP benefits that made the client an eligible recipient under that program, or at both times, and survived the client. Second, correct a reference to permit DHS to pursue recoveries of non-probate property and estates that are administered by transfer of affidavit, in addition to filing claims in estates that are administered under court supervision. Finally, correct a reference to clarify that current hardship exceptions would apply to the Wisconsin chronic disease program, but not for recoveries under the WFCAP program.

Assessment of County Fees to Funeral Homes, Cemeteries and Crematories. Provide that a funeral home, cemetery or crematory is not required to pay the following fees in cases where the funeral home, cemetery or crematory requests and receives reimbursement under WFCAP: (a) fees for services rendered by a coroner; (b) fees assessed for the signing of a death certificate by a coroner or medical examiner; or (c) fees assessed by a county related to transportation services. Specify that this provision would first apply to individuals who die on and after September 1, 2015, for whom reimbursement under WFCAP is provided.

In addition, prohibit a county from increasing any of the fees described under (a), (b) and (c) above, effective retroactively to April 17, 2015, until two years after the bill's general effective date.

Provide that after this period is ended, counties may increase these fees by no more than the increase in the consumer price index for the previous calendar year.

6. FEDERAL MATCH FOR BOARD ON AGING AND LONG-TERM CARE OMBUDSMAN POSITIONS [LFB Paper 358]

FED	$82,500

Governor/Joint Finance: Provide $82,500 in 2016-17 to reflect additional federal MA administrative funding the state would claim for ombudsman services provided by the Board on Aging and Long-Term Care (BOALTC). The bill would provide BOALTC 3.0 additional ombudsman specialist positions, beginning in 2016-17, as part of the administration's proposed changes in the state's long-term care programs (see "Board on Aging and Long-Term Care"). These federal MA funds would be transferred to a program revenue appropriation for BOALTC to partially support the costs of these additional positions.

7. FOODSHARE EMPLOYMENT AND TRAINING (FSET) DRUG TESTING [LFB Paper 370]

Governor: Require DHS to request a waiver from the U.S. Department of Agriculture (USDA) to screen FoodShare employment and training (FSET) program participants for illegal use of controlled substances without a valid prescription, and, if indicated, test, as specified by DHS in the waiver request, FSET participants for illegal use of controlled substances without presenting evidence of a valid prescription. If such a waiver is granted and in effect, require DHS to screen and, if indicated, test FSET participants in accordance with the waiver granted by the USDA. Require DHS to include in its 2017-19 budget request an estimate of the future fiscal effect of the program, if a waiver is approved by the USDA during the 2015-17 biennium.

The bill is unclear as to whether the Department would have the authority to request a waiver to institute consequences associated with a positive test result, or what the consequences, if any, would be if one tests positive for a drug test.

Joint Finance: Delete provision.

Instead, require DHS to promulgate rules to develop and implement a drug screening, testing, and treatment policy for FSET participants who are able-bodied adults without dependent children and subject to the FoodShare work requirements. Specify that the program would include at least the following elements:

a. Only participants for whom there is reasonable suspicion of use of a controlled substance without a valid prescription may be subject to testing. The policy must include mechanisms for the determination of a reasonable suspicion to require submission to a drug test.

b. If a participant tests negative, or tests positive for the use of a controlled substance but presents evidence satisfactory to DHS that the individual possesses a valid prescription for each controlled substance for which the individual tests positive, the individual will have satisfactorily completed the substance abuse testing requirements.

c. If a participant tests positive for use of a controlled substance for which he or she does not have a valid prescription, then the individual must participate in state-sponsored substance abuse treatment to remain eligible for FSET.

d. While participating in state-sponsored treatment, an individual who has tested positive for the use of a controlled substance without a valid prescription for the controlled substance must submit to random testing for the use of a controlled substance, and the test results must be negative, or positive with evidence of a valid prescription, in order for the individual to remain eligible for FSET.

e. If a test result of an FSET participant enrolled in state-sponsored treatment is positive and the individual does not have a valid prescription for the controlled substance for which the individual tests positive, the individual may begin treatment again one time and will remain eligible for FSET.

f. If an individual completes treatment and tests negative for use of a controlled substance, or tests positive for the use of a controlled substance but presents evidence satisfactory to DHS that the individual possesses a valid prescription for each controlled substance for which the individual tests positive, the individual will have satisfactorily completed the substance abuse screening and testing requirements.

Create a biennial GPR appropriation that would authorize DHS to expend the amounts in the schedule to pay substance abuse treatment costs. No funding would be provided in the 2015-17 biennium for this purpose. Require DHS to address, in its 2017-19 biennial budget request, any future fiscal impact resulting from this provision.

Finally, specify that all FoodShare recipients are considered "welfare recipients" for the purposes of 21 USC 862b. This provision in federal law provides that, notwithstanding any other provision of law, states shall not be prohibited by the federal government from testing welfare recipients for use of controlled substances, nor for sanctioning welfare recipients who test positive for use of controlled substances.

8. FRAUD PREVENTION AND INVESTIGATION ALLOCATIONS TO IM CONSORTIA

GPR	$500,000
FED	500,000
Total	$1,000,000

Joint Finance: Provide $500,000 ($250,000 GPR and $250,000 FED) annually to increase the amount of funding that would be budgeted for the DHS to provide to local units of government to conduct medical assistance (MA) and FoodShare fraud prevention and investigation activities.

The DHS fraud prevention and investigation program (FPIP) is currently budgeted $500,000 ($250,000 GPR and $250,000 FED) annually to support statewide fraud prevention activities conducted by agencies, other than Milwaukee Enrollment Services (MiLES), that administer MA and FoodShare. Annually, DHS allocates this funding based on each agency's percentage of the statewide income maintenance (IM) caseload. Local funding that supports these activities is eligible for federal matching funds.

Each IM consortium determines what staff will conduct FPIP investigations, which may include agency staff, contracted staff, local law enforcement, or some combination. Recoveries made as a result of these activities are divided between the federal government, the state, and the local agencies. The federal, state and local share of these recoveries depend on whether the recovered benefits were initially paid from FoodShare or MA, and whether the recovery was the result of client error, fraud, or an error committed by the administering agency.

9. REPLACEMENT COSTS OF FOODSHARE EBT CARDS

GPR	- $341,300
FED	- 341,200
PR	682,500
Total	$0

Joint Finance: Require DHS to deduct the allowable costs the state incurs, as determined by DHS, to replace a lost or stolen electronic benefit transfer (EBT) card from the FoodShare benefit amount provided on the EBT card. Specify that this provision would first apply to requests to replace lost or stolen EBT cards received by DHS or its contracted entities on July 1, 2016.

Reduce funding budgeted for DHS contracted services by $227,500 (-$113,800 GPR and -$113,700 FED) in 2015-16 and $455,000 (-$227,500 GPR and -$227,500 FED) in 2016-17 to reflect estimates of cost savings the state would realize by requiring FoodShare recipients, rather than state and federal FoodShare administration funds, to pay for the costs of replacing lost or stolen EBT cards.

Create a continuing PR appropriation to support DHS contracted services, to which moneys transferred from EBT accounts for the costs of replacement cards would be credited to replace the GPR and FED funding currently budgeted to support the costs of replacing cards. Estimate that $227,500 PR in 2015-16 and $455,000 PR in 2016-17 would be available to support contracted services from funding transferred from EBT accounts.

FoodShare enrollees use EBT cards to purchase eligible products with their monthly FoodShare benefit allotment. Currently, if an individual requests a replacement card, DHS incurs the cost associated with providing the replacement card, and does not assess a fee to the individual who makes the request. DHS estimates that this cost is currently approximately $3.50 per card, which includes the cost of the card, postage, an envelope, and an insert. These costs are funded from 50% GPR and 50% federal matching funds budgeted for the administration of the FoodShare program. The state replaced approximately 130,000 lost or stolen EBT cards from March, 2014 to February, 2015.

Under federal law, states may charge FoodShare recipients the cost of replacing the EBT card to the EBT account, up to the cost that the state incurs to replace the card. In order to implement this policy, DHS would be required to inform the U.S. Department of Agriculture's Food and Nutrition Service of its plan to implement the policy, including the procedures that would be used to account for card replacement fees, as well as the replacement threshold, frequency, and circumstances under which the fee would be applicable.

10. FRAUD PREVENTION -- ADVANCED ANALYTICS SYSTEM

GPR	$500,000
FED	4,500,000
Total	$5,000,000

Joint Finance: Provide $5,000,000 ($500,000 GPR and $4,500,000 FED) in 2015-16 for the procurement and implementation of an advanced analytics system for the purpose of minimizing provider and beneficiary fraud in the state's MA program, or for verifying the identification of MA and Medicare beneficiaries prior to their receiving covered services.

11. TRANSFER PRIOR AUTHORIZATION

Joint Finance: Transfer 2.75 GPR positions and 8.25 FED positions from the Office of the Inspector General (OIG) to the Division of Medicaid Services (DMS), effective March 31, 2016, to reflect the transfer of positions and funding related to prior authorization from OIG to DMS. Transfer $272,700 ($68,200 GPR and $204,500 FED) in 2015-16 and $1,090,700 ($272,700 GPR and $818,000 FED) in 2016-17 from OIG to DMS.

Institutions and Mental Health

1. MENTAL HEALTH INSTITUTES FUNDING SPLIT

	Funding	Positions
GPR	- $6,644,000	- 77.96
PR	6,644,000	77.96
Total	$0	0.00

Governor/Joint Finance: Reduce funding by $3,068,100 GPR in 2015-16 and $3,575,900 GPR in 2016-17 and provide corresponding PR funding increases to adjust funding at the Mendota and Winnebago mental health institutes (MHIs) to reflect an increase in the percentage of patients whose care is funded with PR, rather than GPR. Convert 71.6 GPR positions to PR positions in 2015-16, and an additional 6.36 GPR positions to PR positions in 2016-17, so that a total of 77.96 GPR positions would be converted to PR positions in 2016-17.

The share of MHI costs funded by GPR and PR is based on the composition of the patient population. The state is responsible for the cost of caring for forensic patients, which it funds with GPR. The cost of caring for civilly-committed patients is funded from program revenues paid by counties and third-party payers, including MA for MA-eligible populations. In general, the PR-funded patients have increased as a percentage of the total patient population, accounting for the funding and position shift.

The following table shows the administration's estimates of patient populations at each MHI, by year and fund source, upon which the funding and position adjustments are based.

Population Estimates -- Mental Health Institutes

	2015-16			2016-17		
	GPR	PR	Total	GPR	PR	Total
Mendota						
Forensic Programs	252.2	7.0	259.2	252.2	7.0	259.2
Geropsychiatric Unit	0.0	15.0	15.0	0.0	15.0	15.0
Juvenile Treatment Center	28.8	0.0	28.8	28.8	0.0	28.8
Total	281.0	22.0	303.0	281.0	22.0	303.0
Percentage of Total Patients	93%	7%	100%	93%	7%	100%
Winnebago						
Forensic Programs	90.0	34.0	124.0	90.0	39.0	129.0
Adult Civil Units	0.0	39.0	39.0	0.0	39.0	39.0
Children's Units	0.0	44.0	44.0	0.0	47.0	47.0
Total	90.0	117.0	207.0	90.0	125.0	215.0
Percentage of Total Patients	43%	57%	100%	42%	58%	100%

2. FUEL AND UTILITIES

GPR	- $5,849,000

Governor/Joint Finance: Reduce funding by $2,961,500 in 2015-16 and $2,887,500 in 2016-17 to reflect a reestimate of GPR-funded fuel and utilities costs for the Department's care facilities. As base GPR funding for these costs is $8,238,800, the bill would provide $5,277,300 GPR in 2015-16 and $5,351,300 GPR to fund these costs. The bill maintains base funding for fuel and utility costs funded from PR sources ($6,928,800 annually).

3. CONTRACTED MENTAL HEALTH SERVICES [LFB Paper 375]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,381,500	- $835,800	$4,545,700

Governor: Provide $2,011,100 in 2015-16 and $3,370,400 in 2016-17 above base funding of $10,729,200 to fund projected increases in the costs of competency examinations, restoration to competency treatment, conditional release, and supervised release services for mental health clients served by DHS facilities. Generally, the Department's estimates for these services are based on the assumption that the per-client costs will increase at 2.1% annually, and that caseloads will increase based on historical trends.

Outpatient Competency Examination. Chapter 971 of the statutes prohibits courts from trying, convicting, or sentencing an individual if the individual lacks substantial mental capacity to understand the proceedings or assist in his or her own defense. Courts may order DHS to conduct competency examinations, which may be performed either on an inpatient basis by DHS staff at the state mental institutes, or on an outpatient basis in jails and locked units of other

facilities by contracted staff. This item would increase funding for contracted examinations.

Treatment to Competency Services. DHS contracts with a vendor to provide outpatient treatment services to individuals who are determined to be not competent to proceed to a criminal trial if a court determines that the individual is likely to be competent within 12 months, or the maximum sentence specified for the most serious offense with which the defendant is charged.

Conditional Release Services. The conditional release program provides treatment to individuals who have been found not guilty by reason of mental disease or defect and are either immediately placed on conditional release following the court's finding, or following release from one of the state's mental health institutes. DHS contracts with five organizations, each of which provides services in one of five regions of the state, to provide these services.

Supervised Release Services. The supervised release program provides community-based treatment to individuals who are found to be sexually violent persons (SVPs) under Chapter 980 of the statutes. SVPs are committed to DHS and provided institutional care at the Sand Ridge Secure Treatment Center in Mauston, but may petition the court for supervised release if at least 12 months have elapsed since the initial commitment order was entered, the most recent release petition was denied, or the most recent order for supervised release was revoked.

Corrections Contract Costs for Supervision. DHS contracts with the Department of Corrections (DOC) to supervise individuals on conditional and supervised release, and to provide transportation escort and global positioning system (GPS) services to individuals on supervised release.

Joint Finance: Reduce funding by $377,300 in 2015-16 and $458,500 in 2016-17 to reflect a reduction in the estimated number of individuals who will be on conditional release in the 2015-17 biennium.

The following table summarizes the estimates of clients and costs DHS will incur to provide contracted services in the 2015-17 biennium under the Committee's substitute amendment.

Contracted Services for Mental Health Clients

	2015-16			2016-17		
	Number	Average Cost	Total	Number	Average Cost	Total
Outpatient Competency Exams	1,346	$1,310	$1,763,300	1,411	$1,340	$1,890,700
Restoration to Competency	100	10,820	1,082,000	118	11,050	1,303,900
Conditional Release Treatment	324	14,260	4,620,200	336	14,560	4,892,200
Supervised Release Treatment	52	67,410	3,505,300	59	68,830	4,061,000
Subtotal			$10,970,800			$12,147,800
DOC Supervision Contracts			$1,392,200			$1,493,300
Total Funding Provided			$12,363,000			$13,641,100
Base Funding			$10,729,200			$10,729,200
Jt. Finance Change to Base			$1,633,800			$2,911,900

4. DEBT SERVICE [LFB Paper 175]

GPR	- $4,310,800

Governor/Joint Finance: Reduce funding by $677,000 in 2015-16 and $3,633,800 in 2016-17 to reflect an estimate of debt service payments on bonds issued for DHS facilities. Base debt service funding is $22,877,400.

5. SUPPLIES AND SERVICES AT DHS INSTITUTIONS [LFB Paper 375]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $2,615,400	$754,400	- $1,861,000
PR	3,672,400	- 1,267,100	2,405,300
Total	$1,057,000	- $512,700	$544,300

Governor: Reduce funding by $1,050,200 (-$2,362,300 GPR and $1,312,100 PR) in 2015-16 and increase funding by $2,107,200 (-$253,100 GPR and $2,360,300 PR) in 2016-17 to reflect estimates of the cost of providing non-food supplies and services for residents at the three State Centers for People with Developmental Disabilities (Centers), the two mental health institutes (MHIs), the Wisconsin Resource Center, and the Sand Ridge Secure Treatment Center. This funding supports medical services (including hospitalizations, diagnostic testing, and outpatient medical visits), drugs, clothing, and other supplies. The Department projects a reduction in GPR expenditures at these facilities primarily because the agency's base budget for these services exceeds anticipated expenditures at Sand Ridge and at the MHIs. The increases in PR funding are due primarily to an increase in the population of civil commitments at the Winnebago MHI and projected increases in drug and medical services costs for residents at the

State Centers.

Joint Finance: Increase funding by $330,100 GPR in 2015-16 and $424,300 GPR in 2016-17 and decrease funding by $312,500 PR in 2015-16 and $954,600 PR in 2016-17 to reflect revised population and cost estimates.

6. CIVIL COMMITMENT COSTS OF NONRESIDENTS

GPR	$215,600

Governor/Joint Finance: Increase funding by $107,800 annually to reflect an estimate of the cost of reimbursing treatment facilities for the cost of providing services to non-state residents who are civilly committed for reasons of mental illness, drug dependency, or developmental disability. Counties are responsible for the costs of providing care to their residents who are civilly committed, but the state assumes responsibility of persons who are not state residents and who are civilly committed while in the state. The bill would provide a total of $507,800 annually for this purpose in a sum sufficient appropriation.

Currently, two sum sufficient appropriations support these reimbursements -- one that funds services provided to civilly committed individuals with developmental disabilities and one that funds services to civilly committed individuals with mental illness or drug dependency. The bill would repeal the first appropriation and modify the second so that a single appropriation would fund reimbursements for all non-residents who are civilly committed and receive services at treatment facilities.

7. FOOD AT DHS INSTITUTIONS [LFB Paper 375]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $107,800	$84,000	- $23,800
PR	179,800	- 17,200	162,600
Total	$72,000	$66,800	$138,800

Governor: Reduce funding by $23,100 (-$90,200 GPR and $67,100 PR) in 2015-16 and increase funding by $95,100 (-$17,600 GPR and $112,700 PR) in 2016-17 to reflect an estimate of the cost of providing meals for residents in the 2015-17 biennium at the State Centers for the Developmentally Disabled, the mental health institutes, the Wisconsin Resource Center, and the Sand Ridge Secure Treatment Center. Estimates are based on population projections and inflation.

Joint Finance: Increase funding by $34,400 ($42,900 GPR and -$8,500 PR) in 2015-16 and $32,400 ($41,100 GPR and -$8,700 PR) in 2016-17 to reflect revised population estimates.

8. MENDOTA JUVENILE TREATMENT CENTER

Governor/Joint Finance: Modify a statutory provision that identifies the amount of

funding the Department of Corrections is required to transfer to DHS to support the Mendota Juvenile Treatment Center (MJTC), to require PR transfers of $2,929,200 in 2015-16 and $2,997,600 in 2016-17, an increase from $2,772,800 in 2014-15. The amount of GPR funding Corrections is required to transfer annually ($1,365,500) would not change. Consequently, Corrections would be required to transfer a total of $4,294,700 ($1,365,500 GPR and $2,929,200 PR) in 2015-16 and $4,363,100 ($1,365,500 GPR and $2,997,600 PR) in 2016-17 to support MJTC.

The net funding changes in the annual statutory allocation, compared to the 2014-15 allocation ($156,400 in 2015-16 and $224,800 in 2016-17) reflect standard budget adjustments for DHS staff costs associated with operating this unit.

9. MENTAL HEALTH CRISIS SERVICE GRANTS AND EMERGENCY DETENTION PROCEDURES [LFB Paper 376]

PR	$1,500,000

Governor: Provide $1,500,000 in one-time funding in 2015-16 for DHS to distribute as grants to counties for mental health crisis services. Funding for these grants would be budgeted in a program revenue appropriation that supports the Department's institutional operations. This appropriation is one of the principal funding sources for the state's mental health institutes, and reflects the receipt of various revenue sources, including county payments and Medical Assistance program reimbursement for services provided by those facilities. In addition, make the following statutory changes.

Crisis Assessments. Modify provisions related to the emergency detention of persons for reasons of mental illness, drug dependency, or developmental disability to specify that a county human services department may not approve the detention of a person unless a physician who has completed a residency in psychiatry, a licensed psychologist, or a mental health professional has performed a crisis assessment on the individual and agrees for the need for detention.

Emergency Detention Procedures in Milwaukee County. Repeal provisions that establish special procedures for emergency detention in Milwaukee County and a pilot program for alternative emergency detention procedures in Milwaukee County. Under this item, the Milwaukee County emergency detention procedures would be the same as for other counties. In Milwaukee County, the treatment director of the treatment facility must determine, within 24 hours, if the person meets the criteria for detention, whereas in all other counties, the treatment director is not required to make an affirmative determination on the question of whether the emergency detention criteria have been met within a specified time period, but must discharge the person when, upon the advice of the treatment staff, he or she determines that the criteria are no longer met. In all cases, the person may not be held in detention for a period exceeding 72 hours from the time that the person was taken into custody, exclusive of Saturdays, Sundays, and legal holidays, unless a probable cause hearing for involuntary civil commitment has been held.

Under the pilot program, which, under current law, will expire after May 1, 2016, the treatment director of a treatment facility may take a person into custody for the purposes of emergency detention.

Specify that all of these provisions would take effect on July 1, 2016.

The administration indicates that the crisis service grants are related to the statutory changes to the emergency detention procedures, although the bill does not create specific requirements for allocation of the funds by the Department or for the use of the funds by counties.

Joint Finance: Modify the list of persons who are authorized to conduct a crisis assessment ("physician who has completed residency in psychiatry, a licensed psychologist, or a mental health professional") to modify "mental health professional" with the phrase "as determined by the Department" and specify that a crisis assessment may be conducted in person, by telephone, or by telemedicine or video conferencing technology.

Delete the provision that would eliminate the alternative emergency detention procedures for Milwaukee County (to retain current law) and delete the elimination of the Milwaukee County emergency detention pilot program. Extend the sunset date for the pilot program from May 1, 2016, to July 1, 2017.

10. CONSOLIDATE COMMUNITY MENTAL HEALTH PROGRAMS [LFB Paper 377]

Governor: Consolidate base funding for community mental health services by repealing several programs and funding allocations and transferring base funding from these programs to a funding allocation under the state's community aids program, effective January 1, 2016.

Repealed Programs. Repeal the "treatment funds for mentally ill persons" program, which requires DHS to allocate the following to county human service agencies: (a) $10,914,700 in each fiscal year for the care of persons living in a nursing home or intermediate care facility that is classified as an institute for mental disease (IMD) or for community-based care of mentally ill persons meeting certain criteria; and (b) funds equal to the amount of the state's share of Medical Assistance program costs for noninstitutional medical services for residents of nursing or intermediate care facilities that are classified as IMDs.

Repeal the "relocation services for individuals with mental illness" program, which requires the Department to distribute not more than $830,000 in each fiscal year for community-based services for persons with mental illness and who are not eligible for services under the community integration program.

Delete references to these two programs in the DHS mental health treatment services appropriation and specify, instead, that this appropriation may be used to support mental health treatment services at a county-operated institution for mental disease as selected by the Department ($1,551,500 on an annualized basis). Currently, the only county-operated institution for mental disease is the Trempealeau County Health Care Center. The Department indicates that this facility would continue to receive the same level of support as it currently does under this provision.

Repeal an appropriation that funds the community support programs and psychosocial

services, effective June 30, 2016, and delete all statutory references to that appropriation, including a provision that authorizes the DHS to transfer unexpended moneys from this appropriation at the end of the fiscal year to the Department's appropriation for grants for community programs to be used for supported employment opportunities for individuals who are severely disabled.

Community Aids Allocation. Expand the statutory purpose of community aids program to explicitly include community mental health services. Require DHS to distribute not less than $24,348,700 in each fiscal year for community mental health services. Provide that in 2015-16, the first fiscal year of the consolidation, the Department may distribute one-half of that amount ($12,174,350), after January 1, 2016.

The funding transfers in the bill are shown in the following table.

	2015-16	2016-17
Mental Health Treatment Services	-$4,006,800	-$8,013,700
Community Support Programs and Psychosocial Services	-1,878,800	-3,757,500
Community Options Program (Mental Health/Substance Abuse)	-6,288,800	-12,577,500
Community Aids -- Community Mental Health Services	$12,174,400	$24,348,700

Another provision in the bill would repeal the family support program and consolidate funding for children's long-term care services to create a children's community options program. Since some COP funding is currently used to provide services for persons with mental illness or substance abuse disorders, the bill would transfer a portion of the COP funding to support community mental health services. The fiscal effect of that transfer is reflected in this item and shown in the table above.

The administration indicates that the intent of this provision is to consolidate several different programs into one appropriation and one programmatic distribution, but to provide the same allocation to individual counties as DHS currently provides from the programs that would be repealed. The bill would not require DHS to maintain the current distribution and would not specify a distribution mechanism. Counties would not be subject to the same requirements with respect to the use of funds distributed under the eliminated programs.

Joint Finance: Require the Department to consult with the Wisconsin Counties Association and other persons and organizations with an interest in mental health services before developing a method for distributing community mental health services funds in 2016 and thereafter. Require the Department, before implementing a distribution method, to submit the proposed distribution method to the Joint Committee on Finance. Specify that if the Co-chairpersons of the Committee do not notify the Department within 14 working days after the date of the submittal that the Committee has scheduled a meeting for the purpose of reviewing the proposed distribution method, the Department is required to implement the distribution method as proposed. Specify that if the Co-chairpersons notify the Department that the Committee has scheduled a meeting for the purpose of reviewing the proposed distribution method, the Department may implement the proposed distribution method only as approved by, or as modified and approved by, the Committee.

11. OFFICE OF CHILDREN'S MENTAL HEALTH

Governor: Specify that the Director of the Office of Children's Mental Health be appointed by the Secretary of the Department of Health Services and is to serve at the pleasure of the Secretary, rather than, under current law, vesting the appointment authority with the Governor. The Office was created by 2013 Act 20 to coordinate initiatives related to mental health services for children across state agencies. The Office has 4.0 positions and is housed in DHS.

Joint Finance: Delete provision.

Public Health and Other Programs

1. HIV/AIDS PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $10,078,600	$300,000	- $9,778,600

Governor: Reduce funding by $5,039,300 annually for the AIDS/HIV drug assistance program (ADAP) and the health insurance premium subsidy program. 2013 Act 20 provided an additional $5,039,300 GPR in 2014-15 to address a projected (all funds) shortfall in the program, but program costs in the current biennium have been less than projected under Act 20, permitting DHS to carry over federal and program revenues from the current biennium to fund expenses in the 2015-17 biennium. The total GPR funding for ADAP and the health insurance premium subsidy program would be $1,306,200 annually, the amount that was budgeted in 2013-14.

ADAP pays for certain drugs provided to Wisconsin residents who have tested positive for HIV and who have household income under 300% of the federal poverty level (FPL). The health insurance premium subsidy program subsidizes private insurance premiums for individuals with household family income under 300% of the FPL if they have an HIV-related condition that required them to reduce or end their employment. These programs are supported by GPR, federal Ryan White grants funds, PR from rebates on ADAP drug purchases, and Medicaid or other insurance payments. The administration projects ADAP and insurance program costs (all funds) will total approximately $16.2 million in 2015-16, and approximately $17.8 million in 2016-17.

Joint Finance: Increase funding for Mike Johnson life care and early intervention services grants by $150,000 GPR annually. Increase the statutory limit on the amount of funding DHS may provide annually for those grants, from $3,569,900 to $3,677,000 in each fiscal year. In state fiscal year 2014-15, $3,527,000 GPR was budgeted for these grants for case management, support services, and core medical services provided by AIDS service organizations (ASOs). Currently, AIDS Resource Center of Wisconsin is the only ASO in the state.

2. SUPPLEMENTAL SECURITY INCOME (SSI) [LFB Paper 380]

GPR	$9,898,200
PR	- 3,168,600
Total	$6,729,600

Governor/Joint Finance: Provide $2,099,700 ($3,684,000 GPR and -$1,584,300 PR) in 2015-16 and $4,629,900 ($6,214,200 GPR and -$1,584,300 PR) in 2016-17 to fund the projected cost of supplemental security income (SSI) state benefit payments. SSI provides federal and GPR-funded benefits to low-income individuals who are elderly, blind, or disabled. Recipients with dependent children also receive a "caretaker supplement" payment, supported by federal temporary assistance to needy families (TANF) funds from the Department of Children and Families.

Basic State Supplement. Provide $3,684,000 GPR in 2014-15 and $6,214,200 GPR in 2016-17 to fully fund projected costs of state supplemental SSI benefits. In February, 2015, approximately 120,000 individuals received state supplemental payments, including the basic supplement ($83.78 per month for single individuals) and the exceptional expense benefit ($95.99 per month for single individuals). Base funding for these payments is $151,607,400 GPR, budgeted in a sum sufficient appropriation. The administration projects payments of $155,291,400 GPR in 2015-16 and $157,821,600 GPR in 2016-17.

Caretaker Supplement. Delete $1,584,300 PR annually to reflect estimates of the amounts needed to fully fund projected SSI caretaker supplement benefit payments. DHS provides SSI recipients with a monthly payment of $250 for the first dependent child and $150 for each additional dependent child. Base TANF funding for the caretaker supplement is $32,017,700. The administration projects caretaker supplement benefit payments will total $30,433,400 PR in each year of the 2015-17 biennium, which is the amount DHS expended for these payments in 2013-14.

3. TRANSFER REGULATION OF FOOD, LODGING AND RECREATIONAL ESTABLISHMENTS TO DATCP [LFB Paper 381]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $3,400,900	- 35.00	- $3,900	0.00	- $3,404,800	- 35.00

Governor: Reduce funding by $3,400,900 in 2016-17, and delete 35.0 positions, beginning in 2016-17, to reflect the transfer of regulatory responsibility for restaurants, lodging establishments and certain recreational establishments from DHS to the Department of Agriculture, Trade and Consumer Protection (DATCP), effective July 1, 2016. As part of this proposal, the bill would provide DATCP $3,432,500 in 2016-17 and 35.0 positions, beginning in 2016-17, which is summarized under "Agriculture, Trade and Consumer Protection." Currently DHS issues permits and enforces state statute and administrative code for these establishments, and contracts with local public health departments to perform certain inspection and enforcement activities.

The bill contains the following statutory changes.

Transfer Authority to DATCP. Transfer provisions relating to DHS authority to regulate hotels, tourist rooming houses, bed and breakfast establishments, vending machine commissaries, and campgrounds, camping resorts, recreational and educational camps, and public swimming pools to DATCP and codify these provisions under Chapter 97. The bill would not make substantive changes to the regulation of these entities.

Repeal references to "restaurant" and "temporary restaurant" from the current law provisions in Chapter 254. Instead, include those types of establishments in the definition of "retail food establishments," which are currently regulated by DATCP.

Repeal references to the these entities in the DHS program revenue appropriation that funds current regulation activities from fees DHS collects, and, create corresponding references in the DATCP program revenue appropriation program for its current food regulation activities.

Establish, for campgrounds, camping resorts, recreational and educational camps, and public swimming pools, a forfeiture of $50 per day for failure to comply with an order under Chapter 97 (in addition to potential revocation of the relevant license). Those establishments are currently subject to a forfeiture of $10 per day for noncompliance with a DHS order.

Finally, for those establishments, impose on a person the following fines for a violation of the chapter: (a) not less than $100 nor more than $1,000 or imprisoned for not more than six months for the first offense; and (b) not less than $500 nor more than $5,000 or imprisoned for not less than 30 days and not more than one year in the county jail (or both) for each subsequent offense. Currently, the fine for violation of the provisions of 254.47 is not less than $25 and not more than $250.

DOA Secretary Transfer Authority. Transfer to DATCP all incumbent DHS employees performing duties that the Secretary of the Department of Administration (DOA) determines to be primarily related to food, lodging, and recreation oversight, and the full-time equivalent positions held by those employees, on July 1, 2016. Specify that the transferred employees would have the same rights and status under state employment relations statutes that they had prior to the transfer, and that no transferred employee who had attained permanent status would serve a probationary period.

Transfer from DHS to DATCP all assets and liabilities, tangible personal property (including records), contracts in effect, and pending matters that the DOA Secretary determines are primarily related to food, lodging, and recreation oversight, on July 1, 2016. Require DATCP to carry out any contractual obligation unless modified or rescinded to the extent allowed under the contract. Specify that all materials submitted to, or actions taken by DHS with respect to a pending matter would be considered as having been submitted to or taken by DATCP.

Provide that all rules promulgated under Chapters 172, 175, 178, 192, 195, 196, 196 appendix, 197 and 198 of the Administrative Code, and all other rules promulgated and orders issued by DHS that the DOA Secretary determines are primarily related to food, lodging, and recreation oversight, that are in effect on July 1, 2016, would remain in effect until their

specified expiration dates or until amended or repealed by DATCP.

Cross-References and Minor Statutory Changes. The bill would make multiple changes to cross-references to reflect renumbered statutory provisions, change current references from "permits" to "licenses," as they relate to the regulation of establishments by DATCP, and make minor changes to current statutory provisions.

Transfer of Position Authority within DHS. Transfer $37,800 PR annually and 0.50 PR position, beginning in 2015-16, within the current PR funded appropriation that is currently budgeted for food, lodging, and recreation oversight activities to instead support other regulatory activities and the state vital records program.

Joint Finance: Include provision. Reduce funding by an additional $3,900 in 2016-17 to fully delete funding for the transferred activities from the DHS budget.

In addition, create a food safety advisory council in DATCP, effective July 1, 2016. Require the DATCP Secretary to appoint council members, to serve at the pleasure of the Secretary, reflecting a broad representation of the persons regulated under Subchapter II of Chapter 97 of the statutes (the DATCP statutes related to food safety, as reorganized under the bill). Require the council to meet at least quarterly, and advise the DATCP Secretary on all aspects of food safety, including the fees charged to the persons regulated under Subchapter II of Chapter 97 of the statutes.

Prohibit DHS or any local health department designated as an agent of the Department, from the effective date of the bill through July 1, 2016, from modifying any fee established for the regulation of restaurants or temporary restaurants, or for a certificate of food protection practices. Prohibit DATCP, or any local health department designated as an agent of the Department, from modifying the following fees: (a) from the effective date of the bill through July 1, 2016, any fees for the regulation of retail food establishments and other food-related activities (in ss. 97.12 through 97.57 of the statutes); and (b) from July 1, 2016, through July 1, 2017, the fees established under newly-created Subchapter II of Chapter 97. Collectively, these provisions would implement a two-year freeze on all food safety-related fees that are contained under Subchapter II of Chapter 97, as created under the bill.

4. TRANSFER REGULATION OF TATTOOING, BODY PIERCING AND TANNING TO DFIPS [LFB Paper 577]

Governor: Transfer the regulatory responsibility for tattooists and tattoo establishments, body-piercers and body piercing establishments, and tanning facilities from DHS to the proposed Department of Financial Institutions and Professional Standards (DFIPS), effective January 1, 2016. Renumber current statutes relating to these professions to a new chapter, Chapter 463 ("Body Art and Tanning Facilities") under DFIPS. Transfer to DFIPS statutory requirements for denying or revoking licenses, and provisions that permit local public health departments to act as agents of the Department.

Change the manner in which permit or license fees would be set for the professions and

establishments in this item from administrative rule to the current biennial fee-setting structure that applies to professions regulated by the Department of Safety and Professional Services. Specify that DHS would establish fees for issuance and renewal of licenses and permits for 2015 and 2016 by rule.

Repeal references to the statutes for tattooing, body piercing and tanning from program revenue appropriation that supports DHS licensing, review and certifying activities. The bill would not delete any PR expenditure or position authority.

DOA Secretary Transfer Authority. Transfer from DHS to DFIPS all assets and liabilities, tangible personal property (including records), contracts in effect, and pending matters that the DOA Secretary determines are primarily related to the regulation of tattooing, body piercing and tanning, on January 1, 2016. Require DFIPS to carry out any contractual obligation unless modified or rescinded to the extent allowed under the contract. Specify that all materials submitted to, or actions taken by DHS with respect to a pending matter would be considered as having been submitted to or taken by DFIPS.

Provide that all rules promulgated under HS 161 and 173, and all other rules promulgated and orders issued by DHS that the DOA Secretary determines are primarily related to the regulation of tattooing, body piercing and tanning, that are in effect on January 1, 2016 would remain in effect until their specified expiration dates or until amended or repealed by DFIPS.

Cross-References and Technical Amendments. The bill would make multiple changes to cross-references to reflect renumbered statutory provisions, change the term "permit" to "license," and other minor changes to current statutory provisions.

Joint Finance: Modify the bill to transfer regulatory responsibility for tattooists and tattoo establishments, body-piercers and body piercing establishments, and tanning facilities from DHS to the Department of Safety and Professional Services (DSPS).

This provision would transfer body art and tanning regulation to DSPS, under the same framework as described above for the proposed transfer to DFIPS. The Joint Finance Committee removed the creation of DFIPS from the bill, as summarized in other items under the DSPS section.

5. TRANSFER COMMUNITY-BASED RESIDENTIAL FACILITY AND HOSPICE PLAN REVIEW TO DHS

Governor/Joint Finance: Transfer from DSPS to the Department of Health Services the responsibility to conduct plan reviews of all capital construction and remodeling of structures that are owned or leased for the operation of a hospice. Require DHS to promulgate rules to establish a fee schedule for conducting these plan reviews. Exempt hospices and community-based residential facilities (CBRFs) from the requirement to submit any essential drawings, calculations, and specifications for public buildings, public structures, and places of employment to DSPS. These provisions would take effect January 1, 2016, or the day after publication of the bill, whichever is later.

Under current law, DHS conducts plan reviews for hospitals, nursing homes, and CBRFs, but not hospices. Unlike most other public buildings, public structures, and places of employment, hospitals and nursing homes are not required to submit materials to DSPS for plan reviews.

6. CONTRACT WITH STATE LABORATORY OF HYGIENE [LFB Paper 686]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,593,400	- $3,593,400	$0

Governor: Provide $3,593,400 in 2016-17 in the Division of Public Health's general program operations appropriation for DHS to purchase diagnostic testing services from the Wisconsin State Laboratory of Hygiene (WSLH). These services are currently funded by GPR budgeted directly in WSLH. The bill would reduce GPR and increase PR expenditure authority in WSLH by the amount of the contract, and would transfer the WSLH from the UW System to the Department of Agriculture, Trade and Consumer Protection.

Joint Finance: Delete provision.

7. REPEAL HEALTH CARE PROVIDER FEES FOR DATA COLLECTION AND DISSEMINATION [LFB Paper 383]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$217,800	1.00	$0	0.00	$217,800	1.00
PR	- 312,400	- 1.00	0	0.00	- 312,400	- 1.00
Total	- $94,600	0.00	$0	0.00	- $94,600	0.00
GPR-REV	$0		$1,100,000		$1,100,000	
PR-REV	- 2,067,200		0		- 2,067,200	

Governor: Repeal a provision that requires DHS to assess a fee of up to $75 per year on health care providers (other than hospitals and ambulatory surgical centers) from whom the Department collects data under Chapter 153 of the statutes. Currently, DHS assesses physicians an annual fee of $70, but does not assess the fees on other health care providers. In 2014, approximately 14,800 physicians paid the $70 fee, resulting in program revenues totaling approximately $1,033,600. Consequently, the administration estimates that this change will reduce program revenues to DHS by approximately that amount annually.

Repeal provisions that: (a) require DHS to assess the total estimated amount that the Department will spend on data collection, database development and maintenance, generation of data files and standard reports, orientation and training, and contracting with a data organization to analyze and report health care claims information, minus certain DHS administrative costs;

and (b) direct DHS to work with the Department of Safety and Professional Services to develop a mechanism for collecting assessments.

As part of this item: (a) delete $263,900 PR annually and 2.0 PR positions, beginning in 2015-16, from the appropriation to which the physician fees are credited: and (b) provide $216,600 ($108,900 FED and $107,700 PR) annually, and 2.0 positions (1.0 FED position and 1.0 PR position) beginning in 2015-16, to continue funding the state's E-Health manager position, and the portions of the State Registrar and an office operations associate position currently supported by the physician fee revenue. The bill would not repeal the appropriation from which these funds are budgeted, and would maintain PR expenditure authority ($1,738,100 PR in 2015-16 and $1,334,000 PR in 2016-17), with the intent of allowing DHS to spend any available PR balances in that appropriation carried over from the current biennium.

Joint Finance: Include provision. In addition, require DHS to transfer $1,100,000 from the physician assessment PR appropriation to the general fund in 2015-16.

8. REQUIREMENT FOR PHARMACISTS TO UPDATE IMMUNIZATION REGISTRY

Governor: Require a pharmacist or pharmacy that administers a vaccine in accordance with the state immunization program to a person six to 18 years of age to update the Wisconsin immunization registry within 24 hours of administering the vaccine.

Joint Finance: Extend the deadline that would apply to the proposed reporting requirement to within seven days of administering a vaccine, rather than within 24 hours.

9. PRETRIAL INTOXICATED DRIVER INTERVENTION GRANT PROGRAM [LFB Paper 382]

Governor/Joint Finance: Transfer administration of the pretrial intoxicated driver intervention grant program from the Department of Transportation to DHS. Specify that DHS would fund grants under the program from a DHS GPR appropriation that currently supports grants for several statutorily-defined community programs administered by the Division of Mental Health and Substance Abuse Services.

The current transportation fund appropriation for the program, which has base funding of $731,600, would be eliminated. As no additional funding would be provided for DHS to support the pretrial intoxicated driver intervention grant program, the Department would make grants for all programs supported from the appropriation, including the transferred program, from base funding for the appropriation ($8,681,100 annually). The bill would not specify an annual amount DHS would be required to provide under the pretrial intoxicated driver intervention grant program. The fiscal effect of the elimination of the DOT appropriation and additional information about the pretrial intoxicated driver intervention grant program is provided under "Transportation."

10. WISCONSIN WELL WOMAN PROGRAM

GPR	$100,000

Joint Finance: Provide a one-time funding increase of $100,000 GPR in 2016-17 for the Wisconsin Well Woman Program, which funds breast and cervical cancer screenings for women in low-income families without access to other insurance coverage. In 2014-15, funding for that program equaled $2,228,200 GPR and $3,291,900 FED.

11. ADVANCED LIFE SUPPORT TRAINING GRANT

GPR	$40,000

Joint Finance: Provide $20,000 in each year of the 2015-17 biennium for a grant, provided on a one-time basis, for an entity that provides or facilitates advanced life support training to physicians, physician's assistants, nurse practitioners, registered nurses, and emergency medical technician - paramedics, who work in rural areas of the state.

12. AMBULANCE STAFFING OF PARAMEDICS

Joint Finance: Provide that, if an ambulance service provider initially licensed at the paramedic level in 1993 and located in a municipality in Dodge and Jefferson Counties has dispatched an ambulance containing two emergency medical technicians-paramedics ("paramedics"), permit that provider to staff an ambulance at the paramedic level for a subsequent call with one paramedic and one emergency medical technician of any level while the first ambulance containing two paramedics is occupied providing service. This would apply to such ambulance service providers located in Watertown.

13. LEAD-BEARING PAINT -- DEFINITIONS AND PENALTIES

Joint Finance: Change the definition of "lead-bearing paint" (from the current law definition of any paint or other surface coating material containing more than 0.06% lead by weight in liquid paint or more than 0.7 milligrams of lead per square centimeter in the dried film of applied paint) to any paint or other surface coating containing more than 0.06% by weight in liquid paint, more than 0.5% lead by weight in dried paint, or 1.0 milligram of lead per square centimeter in dried paint. Delete a current law provision that allows administrative rules to supersede the statutory definition of "lead-bearing paint" if the Centers for Disease Control and Prevention specifies a standard that differs from state statute.

Increase the forfeiture for a violation of statutes relating to ss. 254.11 to 254.178 of the statutes, or rules promulgated, or orders issued, under those sections from not less than $100 nor more than $1,000, to not less than $100 nor more than $5,000 per violation. Specify that the criminal penalty for a person who knowingly violates any provision of ss. 254.11 to 254.178, or any rule promulgated, or order issued, under those sections is not less than $100 nor more than $5,000 per violation (current law does not specify that the penalty is per violation). Specify that these provisions would first apply to violations that occur on the bill's general effective date. These penalties apply to the use or sale of lead-bearing paint, and the prevention and control of lead-bearing paint hazards.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$8,159,900	- 0.75
FED	922,700	- 0.75
PR	6,662,000	0.00
SEG	- 22,200	0.00
Total	$15,722,400	- 1.50

Governor/Joint Finance: Provide $7,763,300 ($4,026,700 GPR, $433,800 FED, $3,314,100 PR and -$11,300 SEG) in 2015-16 and $7,959,100 ($4,133,200 GPR, $488,900 FED, $3,347,900 PR, and -$10,900 SEG) in 2016-17, and a reduction of 1.5 positions (-0.75 GPR positions and -0.75 FED positions) beginning in 2015-16, to reflect the following standard budget adjustments: (a) turnover reduction (-$2,935,100 GPR, -$1,658,500 FED, and -$2,207,000 PR annually); (b) removal of noncontinuing items (-$805,000 GPR and -$55,000 FED annually, and -0.75 GPR position and -0.75 FED position beginning in 2015-16); (c) full funding of continuing salaries and fringe benefits ($2,877,700 GPR, $2,982,400 FED, -$524,800 PR and -$8,700 SEG annually); (d) overtime ($1,943,700 GPR and $4,120,500 PR annually); (e) night and weekend salary ($1,913,600 GPR, $101,400 FED, and $2,427,000 PR annually); (f) lease costs ($1,031,800 GPR, -$936,500 FED, -$501,600 PR, and -$2,600 SEG in 2015-16, and $1,138,300 GPR, -$881,400 FED, -$467,800 PR and -$2,200 SEG in 2016-17); and (g) minor transfers within appropriations.

2. ELIMINATE LONG-TERM VACANCIES [LFB Paper 385]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $1,064,400	- 7.86	$0	0.00	- $1,064,400	- 7.86
FED	0	- 25.39	- 3,428,000	0.00	- 3,428,000	- 25.39
PR	0	- 3.25	- 304,800	0.00	- 304,800	- 3.25
Total	- $1,064,400	- 36.50	- $3,732,800	0.00	- $4,797,200	- 36.50

Governor: Reduce funding by $532,200 GPR annually and delete 36.5 positions (-7.86 GPR positions, -25.39 FED positions, and -3.25 PR positions), beginning in 2015-16, as part of the administration's initiative to eliminate positions that have been vacant for more than 12 months and reduce funding associated with the deleted GPR- funded positions.

Joint Finance: Reduce funding by $1,714,000 FED and $152,400 PR annually to delete the funding associated with the FED and PR position authority deleted under the Governor's recommendations. The following table shows the position and funding reductions by DHS program and appropriation.

Appropriation, By DHS Division	Fund Source	Positions	Funding
Public Health			
General Program Operations	GPR	-0.23	-$15,600
State Vital Records Office	PR	-2.00	-92,800
Interagency and Intra-agency Programs	PR	-0.45	-21,000
MA Administration	FED	-0.20	-13,600
WIC Operations	FED	-0.15	-7,000
Federal Project Operations	FED	-13.37	-1,008,200
Preventive Health Block Grant - Operations	FED	-0.47	-21,800
Maternal and Child Health Block Grant - Operations	FED	-3.08	-156,500
Institutions			
General Program Operations	GPR	-0.60	-$22,100
Alternative Services of Institutes and Centers	PR	-0.40	-22,700
Centers for Developmentally Disabled - Operations	PR	-0.40	-15,900
Medicaid Services			
General Program Operations	GPR	-3.83	-$238,100
MA Administration	FED	-1.02	-70,000
FoodShare Administration	FED	-2.40	-146,600
Disability Determination	FED	-1.00	-43,000
Quality Assurance			
General Program Operations	GPR	-0.45	-$20,900
Medicare - State Administration	FED	-0.18	-8,400
MA Survey and Certification	FED	-0.27	-12,600
Disability and Elder Services			
General Program Operations	GPR	-1.00	-$73,600
MA Administration	FED	-1.00	-73,600
General Administration			
General Program Operations	GPR	-1.75	-$161,900
Federal Program Operations	FED	-1.25	-84,800
Indirect Cost Reimbursements	FED	-1.00	-67,900
Total		-36.50	-$2,398,600

3. FEDERAL REVENUE REESTIMATE [LFB Paper 386]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$53,068,800	- $14,836,800	$38,232,000

Governor: Provide $24,608,500 in 2015-16 and $28,460,300 in 2016-17 for funding adjustments to federal appropriations that are not included under other items.

Joint Finance: Reduce estimates of federal funding DHS allocates to income

maintenance consortia by $6,918,400 FED in 2015-16 and by $7,918,400 FED in 2016-17. This adjustment would be made, instead, under the income maintenance item under Medical Assistance -- Administration. The following table shows the base funding amount for each appropriation affected by this item, the funding change under this item, the MA funding changes under other items in the bill, and the total amount that would be budgeted in each appropriation.

		2015-16			2016-17		
Appropriation, by Division	2014-15 Base Funding	Reestimate	Other Items	Total	Reestimate	Other Items	Total
Public Health							
Preventive Health Block Grant	$1,625,400	$532,200	$307,700	$2,465,300	$532,200	$307,700	$2,465,300
Maternal and Child Health Block Grant	6,071,700	427,000	0	6,498,700	427,000	0	6,498,700
Medicaid Services							
FoodShare Administration	5,557,500	9,120,600	296,700	14,974,800	10,120,600	296,700	15,974,800
MA Administration - Family Care	21,165,800	7,834,200	0	29,000,000	8,834,200	168,000	30,168,000
Mental Health and Substance Abuse							
Mental Health Block Grant (MHBG)	5,922,500	-443,100	-9,700	5,469,700	-443,100	-9,700	5,469,700
Substance Abuse Block Grant	27,891,900	-92,900	35,800	27,834,800	-92,900	35,800	27,834,800
Project Operations	136,400	296,300	4,900	437,600	296,300	4,900	437,600
Project Aids	937,300	-602,700	0	334,600	-602,700	0	334,600
MHBG Block Grant - Local Assistance	2,100,400	9,100	0	2,109,500	9,100	0	2,109,500
Disability and Elder Services							
Program Aids	27,875,700	1,124,300	298,700	29,298,700	2,124,300	298,700	30,298,700
Social Services Block Grant	21,681,000	-1,765,600	1,326,600	21,242,000	-1,858,700	1,258,600	21,080,900
General Administration							
Indirect Cost Reimbursement	2,658,500	936,500	-880,200	2,714,800	881,400	-825,100	2,714,800
Office of the Inspector General	250,000	314,200	0	564,200	314,200	0	564,200
Total		$17,690,100			$20,541,900		

4. FUNDING AND POSITION TRANSFERS [LFB Paper 387]

	Funding	Positions
GPR	- $708,800	0.00
FED	- 1,071,200	- 5.05
PR	1,067,000	5.05
Total	- $713,000	0.00

Governor/Joint Finance: Decrease funding by $356,500 (-$354,400 GPR, -$535,600 FED and $533,500 PR) annually, and convert the funding sources for current positions to create a net increase of 5.05 PR positions and a net decrease of 5.05 FED positions, beginning in 2015-16. These transfers are intended to budget current base positions from appropriations that better reflect the current activities of these positions, and to reflect internal transfers of positions that occurred in the 2013-15 biennium. The following table identifies the funding and position transfers under this provision.

DHS Administrative Transfers
Annual Funding Changes, and Position Changes Beginning in 2015-16

	Fund Source	Funding	Positions
Public Health			
General Program Operations	GPR	$100	0.00
Vital Records	PR	202,500	1.53
Interagency and Intra-agency Programs	PR	330,000	3.12
Federal Projects Operations	FED	-647,400	-5.40
Federal Preventive Health Block Grant - Operations	FED	64,800	0.65
Maternal and Child Health Block Grant - Operations	FED	32,700	-0.12
Federal Women, Infants and Children (WIC) Program - Operations	FED	17,300	0.22
Mental Health and Developmental Disabilities Facilities			
General Program Operations	GPR	-$149,300	-2.00
Alternative Services of Institutes and Centers	PR	-77,500	-1.80
Institute Operations	PR	-78,500	-1.10
Power Plant Operations	PR	67,300	1.00
Centers for Persons with Developmental Disabilities - Operations	PR	247,800	3.80
Interagency and Intra-agency Programs	PR	-118,200	-1.00
Medicaid Services			
General Program Operations	GPR	-$195,600	-2.52
Federal Program Operations - FoodShare Administration	FED	-32,000	-0.58
Medical Assistance - State Administration	FED	-161,500	-1.90
Mental Health and Substance Abuse Services			
General Program Operations	GPR	$145,700	2.00
Interagency and Intra-agency Programs	PR	39,800	0.50
Federal Block Grant Operations - Substance Abuse Block Grant	FED	-33,000	-0.40
Community Mental Health Block Grant - Operations	FED	-45,100	-0.50
Federal Program Operations - MA State Administration	FED	53,100	0.50
Quality Assurance			
General Program Operations	GPR	$3,400	0.00
Health Facilities License Fees	PR	-29,300	0.00
Licensing and Support Services	PR	1,700	0.00
Federal Program Operations	FED	-22,200	-0.20
Medicare - State Administration	FED	182,800	2.00
Medical Assistance Survey and Certification Operations	FED	-138,700	-1.80
Disability and Elder Services			
General Program Operations	GPR	-$354,400	0.00
Interagency and Intra-agency Programs	PR	-52,100	-1.00
Federal Project Operations	FED	-83,200	-1.00
Medical Assistance - State Administration	FED	-28,300	-0.30
Federal Program Operations - Aging Program Operations	FED	111,500	1.30
General Administration			
General Program Operations	GPR	$195,700	2.52
Bureau of Information Technology Services (BITS)	PR	3,500,000	0.00
Information Technology - Divisional Purchases from BITS	PR	-3,500,000	0.00
Federal Program Operations	FED	193,600	2.48
Medical Assistance - State Administration	FED	-494,200	-5.15
FoodShare Administration	PR	494,200	5.15
Total		**-$356,500**	**0.00**

5. PROGRAM REVENUE FUNDING ADJUSTMENTS

PR	$7,355,300

Governor/Joint Finance: Provide $3,782,100 in 2015-16 and $3,573,200 in 2016-17 to reflect the net effect of funding adjustments to program revenue appropriations. The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in the bill, and the total amount budgeted in each appropriation.

		2015-16			2016-17		
Appropriation, by Division	2014-15 Base Funding	Funding Adjustment	Other Items	Total	Funding Adjustment	Other Items	Total
Public Health							
Health Care Information	$1,595,900	$404,100	-$261,900	$1,738,100	$0	-$261,900	$1,334,000
WIC Administration	84,000	-35,800	0	48,200	-35,800	0	48,200
Interagency and Intra-agency Programs	2,752,900	1,034,700	341,400	4,129,000	1,034,700	341,400	4,129,000
Interagency and Intra-agency Aids	914,700	-814,700	0	100,000	-814,700	0	100,000
Congenital Disorders	325,800	176,200	0	502,000	176,200	0	502,000
Institutions							
State Institute Operations	31,990,100	2,198,500	9,209,400	43,398,000	2,198,500	8,404,800	42,593,400
Extended Intensive Treatment	500,000	-400,000	0	100,000	-400,000	0	100,000
Medicaid Services							
SeniorCare Enrollment Fees	2,769,100	1,400,000	11,700	4,180,800	1,400,000	11,700	4,180,800
Chronic Disease Program - Drug Rebates	610,000	490,000	0	1,100,000	590,000	0	1,200,000
MA Administration - Enrollment Fees	5,530,200	-3,500,000	0	2,030,200	-3,500,000	0	2,030,200
MA Provider Audits and Reviews	0	206,500	19,200	225,700	228,400	19,200	247,600
Interagency and Intra-Agency Programs	4,848,400	1,400,000	654,900	6,903,300	1,400,000	654,900	6,903,300
Mental Health and Substance Abuse Services							
Gifts and Grants	274,700	-141,600	600	133,700	-141,600	600	133,700
Interagency and Intra-agency Programs	2,902,100	477,700	82,500	3,462,300	556,800	82,500	3,541,400
Disability and Elder Services							
Cost Recoveries	371,800	-287,500	-84,300	0	-287,500	-84,300	0
Gifts and Grants	136,000	140,100	-276,100	0	134,100	-270,100	0
Children's Long-term Support Waivers	653,300	913,800	-1,567,100	0	914,000	-1,567,300	0
General Administration							
OIG Interagency and Intra-agency Programs	293,600	120,100	17,500	431,200	120,100	17,500	431,200
Total		$3,782,100			$3,573,200		

6. TRANSFER VACANT POSITION TO DEPARTMENT OF ADMINISTRATION FOR INFORMATION TECHNOLOGY PROCUREMENT [LFB Paper 113]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $197,200	- 1.00	$197,200	1.00	$0	0.00

Governor: Transfer 1.0 vacant position to the Department of Administration for

information technology and services procurement. Delete $98,600 annually from the DHS administrative and support services appropriation associated with the position.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

7. TRANSFER POSITION TO DEPARTMENT OF ADMINISTRATION FOR OFFICE OF GOVERNMENT CONTINUITY [LFB Paper 114]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	- 1.00	1.00	0.00

Governor: Transfer 1.0 position to the Department of Administration (DOA) for a newly created Office of Government Continuity. Under the bill, the Office would establish and administer a continuity of government program in consultation with the administrator of the Division of Emergency Management in the Department of Military Affairs, to ensure the continuity of state government operations during a disaster. The bill does not specify the type of position to be transferred or whether incumbent employees would be transferred to DOA. Funding associated with the position ($66,500 annually) would not be reduced, but rather reallocated to supplies and services to pay Office of Continuity charges assessed by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$284,449,600	$286,911,600	$283,021,600	- $3,890,000	- 1.4%	- $1,428,000	- 0.5%
FED	3,135,400	3,135,400	3,135,400	0	0.0%	0	0.0
PR	2,469,600	2,469,600	3,279,600	810,000	32.8	810,000	32.8
TOTAL	$290,054,600	$292,516,600	$289,436,600	- $3,080,000	- 1.1%	- $618,000	- 0.2%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	11.00	7.00	10.00	3.00	- 1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$22,700	- 1.00

Governor/Joint Finance: Adjust the base budget by $10,800 in 2015-16 and $11,900 in 2016-17 and reduce the number of authorized positions by 1.0 beginning in 2015-16 to: (a) remove non-continuing elements from the base (-1.0 position beginning in 2015-16); (b) fully fund continuing position salaries and fringe benefits ($9,300 annually); and (c) fully fund lease and directed moves costs ($1,500 in 2015-16 and $2,600 in 2016-17).

2. MINNESOTA-WISCONSIN STUDENT RECIPROCITY [LFB Paper 390]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $7,200,000	$5,600,000	- $1,600,000

Governor: Transfer the authority to enter into a student reciprocity agreement with the state of Minnesota to the UW System Authority Board of Regents on July 1, 2016, and delete the GPR sum sufficient appropriation with $7,200,000 in 2016-17 for payments to Minnesota under the agreement.

In addition, make entering into such an agreement optional, instead of required as under current law. Delete language making such an agreement subject to approval by the Joint Committee on Finance and requiring that an annual administrative memorandum related to the agreement be approved by the Finance Committee through a passive review process. Delete language specifying that payments received under the agreement be deposited in the state's general fund. This would permit the UW System Authority to retain all tuition revenues paid by Minnesota students attending UW institutions under the agreement instead of transferring the amount of tuition paid that exceeds the Wisconsin resident tuition rate to the state's general fund.

Joint Finance: Delete provision. Reestimate the appropriation for payments to Minnesota under the agreement at $6,400,000 annually, which would reduce funding by $800,000 in 2015-16 and provide $6,400,000 in 2016-17.

3. WISCONSIN COVENANT SCHOLARS GRANTS [LFB Paper 391]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,000,000	- $9,490,000	- $2,490,000

Governor: Provide $3,000,000 in 2015-16 and $4,000,000 in 2016-17 for the Wisconsin covenant scholars grant program. Total program funding would be $15,170,000 in 2015-16 and $16,170,000 in 2016-17. The amounts of funding provided are based on estimates of student participation in the Wisconsin covenant scholars grant program.

From spring, 2007, through fall, 2011, Wisconsin resident students enrolled in the eighth grade were invited to sign the Wisconsin covenant pledge. Students who successfully complete the pledge are eligible to receive Wisconsin covenant scholars grants while enrolled in UW institutions, technical colleges, private, nonprofit colleges and universities, and tribal colleges located in this state. Grants range from $125 to $1,500 based on student need and enrollment status.

The last class of students who were eligible to sign the Wisconsin covenant pledge will be eligible for Wisconsin covenant scholars grants beginning in 2015-16. The grant program is scheduled to end in 2020-21 when no students will be eligible for grants through the program.

Joint Finance: Reduce funding by $2,450,000 in 2015-16 and by $7,040,000 in 2016-17 to reflect a reestimate of program expenditures. Program funding would be $12,720,000 in 2015-16 and $9,130,000 in 2016-17.

4. TECHNICAL EXCELLENCE HIGHER EDUCATION SCHOLARSHIPS

GPR	$2,639,300

Governor/Joint Finance: Provide $879,800 in 2015-16 and $1,759,500 in 2016-17 for technical excellence higher education scholarships. Created by 2013 Act 60, the technical excellence scholarship program will provide scholarships of $2,250 to high school seniors with the highest levels of proficiency in technical education subjects beginning in the 2015-16 year. Similar to the academic excellence scholarship program, half of the scholarship amount would be funded through a state GPR sum sufficient appropriation and the other half would be funded by the technical college in which the student enrolls.

5. TRIBAL COLLEGE PAYMENTS

PR	$810,000

Joint Finance: Create a new appropriation for tribal college payments under HEAB and provide $405,000 PR derived from tribal gaming revenues annually for that purpose. Require the HEAB Board to make payments to each tribal college governing body by December 31 of each year in an amount equal to the product of: (a) the number of full-time equivalent Wisconsin resident students who were enrolled in the tribal college in the previous academic year for whom the tribal college will not receive funds from the Bureau of Indian Education (BIE); and (b) the per student funding amount that the tribal college received or expects to receive from BIE based on the tribal college's reported Indian student count for the previous academic year. Specify that, if the amount of funding provided through the appropriation for tribal college payments is not sufficient to make payments as calculated above, the Board would prorate the payments.

In addition, require the governing body of any tribal college that wishes to receive payments from the appropriation for tribal college payments to submit the following information to the HEAB Board by October 15 of each year: (a) the number of full-time equivalent Wisconsin resident students who were enrolled at the tribal college in the previous academic year for whom the tribal college will not receive funds from BIE; (b) the Indian student count for the previous academic year; and (c) the per student funding amount that the tribal college received or expects to receive from BIE based on the tribal college's reported Indian student count for the previous academic year. Define "Indian student" and "Indian student count" using references to federal code and define "tribal college" as an accredited college, operated or controlled by a federally recognized American Indian tribe or band in this state, that meets certain requirements specified in federal code.

6. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	- 3.00	3.00	0.00

Governor: Require that all information technology services for the Higher Educational Aids Board be provided by the Department of Administration (DOA).

Delete 3.0 positions annually from the Higher Educational Aids Board's appropriation for administration and transfer responsibility for all information technology services to DOA. Funding associated with the positions ($218,700 annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of the Higher Educational Aids Board related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

7. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES

Governor: Transfer the following functions to DOA under a shared agency services pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

8. REPLACE TEACHER EDUCATION LOAN PROGRAM WITH TEACHER LOAN PROGRAM

Joint Finance: Require HEAB to establish a teacher loan program, create an appropriation for that program, and provide $272,200 GPR annually. Specify that, to be eligible for a loan through the teacher loan program, a student must meet all of the following requirements: (a) be a resident of this state enrolled at least half-time as a sophomore, junior, or senior in an institution of higher education, as defined in 20 USC 1001 (a) and (b), located in this state; (b) be enrolled in a program of study leading to a teacher's license in a discipline identified as a teacher shortage area for this state by the U.S. Department of Education; and (c) have a grade point average of at least a 3.0 on a 4.0-scale or the equivalent. Provide that eligible students may be awarded loans of up to $10,000 a year for not more than three years and set a maximum loan amount through the program of $30,000 per student.

Specify that a loan recipient may have the principal and interest of loans received through the program forgiven if the recipient satisfies all of the following: (a) the recipient is employed

by a public or private elementary or secondary school in the city of Milwaukee as a full-time teacher in a high-demand area related to the recipient's program of study as described in (b) above; and (b) the recipient receives a rating of proficient or distinguished on the educator effectiveness system or the equivalent in a school that does not use the education effectiveness program. Provide that loan recipients would have 25% of the principal and interest of their loans forgiven for each school year in which the recipient satisfies (a) and (b). Specify that loan recipients who do not have their loans forgiven based on their employment would repay their loans at an annual interest rate of 5% and that the HEAB Board would deposit repayments made in the state's general fund as GPR-Earned.

In addition, delete the existing teacher education loan program, the corresponding appropriation, and the $272,200 GPR annually provided for that program under the Governor's budget. Under current law, the teacher education loan program provides loans to Wisconsin residents enrolled in the teacher education programs at the Milwaukee Teacher Education Center (MTEC). Loan recipients must agree to teach in a first-class city school system under Chapter 119 of the statutes (Milwaukee Public Schools). For each year the borrower teaches in the eligible school district, 50% of the loan is forgiven. If the student does not teach in the eligible district, the loan must be repaid at an interest rate of 5%.

9. MODIFY MINORITY TEACHER LOAN PROGRAM

Joint Finance: Modify the minority teacher loan program such that only minority students who meet all of the following would be eligible to receive loans through the program: (a) are residents of this state enrolled at least half-time as sophomores, juniors, or seniors in an institution of higher education, as defined in 20 USC 1001 (a) and (b), located in this state; (b) are enrolled in a program of study leading to a teacher's license in a discipline identified as a teacher shortage area for this state by the U.S. Department of Education; (c) are enrolled in a program of study that includes a student teaching component located at a public or private elementary or secondary school in the city of Milwaukee; and (d) have a grade point average of at least a 3.0 on a 4.0-scale or the equivalent.

Under current law, students who meet all of the following are eligible for loans through the minority loan program: (a) are enrolled at least half-time at a UW institution or a private, nonprofit postsecondary institution in this state; (b) are registered as juniors or seniors, or hold a bachelor's degree and are registered as special students; (c) are enrolled in programs leading to teacher licensure and are not currently licensed; (d) have a grade point average of at least a 2.5 on a 4.0-scale or the equivalent; and (e) agree to teach in a school district located in the state in which minority students constitute at least 29% of total enrollment or in a school district participating in the interdistrict pupil transfer (Chapter 220) program.

Specify that students who are eligible for loans through the modified minority teacher loan program may be awarded loans of up to $10,000 a year for not more than three years and set a maximum loan amount through the program of $30,000 per student. Under current law, students may receive loans of up to $2,500 per year with a maximum cumulative loan amount of $5,000.

In addition, specify that individuals who receive loans through the modified minority

teacher loan program may have the principal and interest of loans received through that program forgiven if the recipient satisfies all of the following: (a) the recipient is employed by a public or private elementary or secondary school in the city of Milwaukee as a full-time teacher in a high-demand area related to the recipient's program of study as described in (b) above; and (b) the recipient receives a rating of proficient or distinguished on the educator effectiveness system or the equivalent in a school that does not use the education effectiveness program. Provide that loan recipients would have 25% of the principal and interest of their loans forgiven for each school year in which the recipient satisfies (a) and (b). Specify that loan recipients who do not have their loans forgiven based on their employment would repay their loans at an annual interest rate of 5%.

Under current law, loan recipient may have 25% of the principal and interest of loans received through the minority teacher loan program forgiven for each year the recipient teaches in a school district located in the state in which minority students constitute at least 29% of total enrollment or in a school district participating in the interdistrict pupil transfer (Chapter 220) program. Loan recipients who do not have their loans forgiven based on their employment repay their loans at an annual interest rate of 5%.

Specify that these modifications to the minority teacher loan program would first apply to loans made after the effective date of the bill.

HISTORICAL SOCIETY

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$28,661,000	$29,884,800	$29,884,800	$0	0.0%	$1,223,800	4.3%
FED	2,543,000	2,626,200	2,626,200	0	0.0	83,200	3.3
PR	5,537,200	6,155,200	6,155,200	0	0.0	618,000	11.2
SEG	7,555,600	7,472,200	7,577,000	104,800	1.4	21,400	0.3
TOTAL	$44,296,800	$46,138,400	$46,243,200	$104,800	0.2%	$1,946,400	4.4%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2014-15 Base
GPR	93.65	80.32	93.65	13.33	0.00
FED	7.86	4.86	7.86	3.00	0.00
PR	16.25	15.25	16.25	1.00	0.00
SEG	11.28	10.61	11.28	0.67	0.00
TOTAL	129.04	111.04	129.04	18.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$1,005,200
FED	83,200
PR	204,600
SEG	21,400
Total	$1,314,400

Governor/Joint Finance: Adjust the base budget by $501,700 GPR in 2015-16 and $503,500 GPR in 2016-17, $41,500 FED in 2015-16 and $41,700 FED in 2016-17, $101,600 PR in 2015-16 and $103,000 PR in 2016-17, and $10,700 SEG annually for the following: (a) turnover reduction (-$163,500 GPR annually); (b) full funding of continuing salaries and fringe benefits ($639,900 GPR annually, $42,100 FED annually, $99,000 PR annually and $10,700 SEG annually); (c) overtime ($7,300 GPR annually); (d) night and weekend differential pay ($12,400 GPR annually); and (e) full funding of lease and directed moves costs ($5,600 GPR in 2015-16 and $7,400 GPR in 2016-17, -$600 FED in 2015-16 and -$400 FED in 2016-17, $2,600 PR in 2015-16, and $4,000 PR in 2016-17).

2. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	$135,300
PR	413,400
Total	$548,700

Governor/Joint Finance: Provide $93,600 GPR in 2015-16 and $41,700 GPR in 2016-17, and delete $3,000 PR in 2015-16 and provide $416,400 PR in 2016-17 as a reestimate of debt service payments. Base level funding is $3,160,200 GPR and $5,000 PR annually.

3. FUEL AND UTILITIES FUNDING

GPR	$83,300

Governor/Joint Finance: Provide $30,300 in 2015-16 and $53,000 in 2016-17 to reflect estimated costs for fuel and utilities at Historical Society facilities. Base level funding is $946,000.

4. NORTHERN GREAT LAKES HERITAGE CENTER [LFB Paper 395]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $104,800	$104,800	$0

Governor: Delete $52,400 annually from the Northern Great Lakes Heritage Center and the related appropriation as a result of the proposed elimination of capacity grant programs in the Department of Natural Resources. The Northern Great Lakes Heritage Center is one of a network of regional research centers that archive records particular to the local area.

Joint Finance: Restore the appropriation and $52,400 SEG annually.

5. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	- 7.33	7.33	0.00
FED	- 1.00	1.00	0.00
PR	- 1.00	1.00	0.00
SEG	- 0.67	0.67	0.00
Total	- 10.00	10.00	0.00

Governor: Delete 10.00 positions from the following appropriations of the Wisconsin Historical Society for a shared agency services pilot program under the Department of Administration (DOA): (a) general program operations (-7.33 GPR positions); (b) general program operations -- federal funds (-1.00 FED position); (c) general program operations -- service funds (-1.00 PR position); and (d) the history preservation partnership trust fund (-0.67 SEG position). Funding associated with the positions ($719,600 GPR, $58,800 FED, $68,700 PR, and $38,700 SEG annually) would not be reduced, but rather reallocated to supplies and

services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement functions. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

6. TRANSFER POSITION TO DEPARTMENT OF ADMINISTRATION FOR OFFICE OF GOVERNMENT CONTINUITY [LFB Paper 114]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
FED	- 1.00	1.00	0.00

Governor: Transfer 1.0 position to the Department of Administration (DOA) for a newly created Office of Government Continuity. Under the bill, the Office would establish and administer a continuity of government program in consultation with the administrator of the Division of Emergency Management in the Department of Military Affairs to ensure the continuity of state government operations during a disaster. The bill does not specify the type of position to be transferred or whether incumbent employees would be transferred to DOA. Funding associated with the position would not be reduced, but rather reallocated to supplies and services to pay Office of Continuity charges assessed by DOA. A total of $53,000 FED annually would be reallocated from salaries and fringe benefits to supplies and services.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

7. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	- 6.00	6.00	0.00
FED	- 1.00	1.00	0.00
Total	- 7.00	7.00	0.00

Governor: Require that all information technology services for the Wisconsin Historical Society be provided by the Department of Administration (DOA).

Delete 7.00 positions from the following appropriations of the Wisconsin Historical Society to transfer responsibility for all information technology services to DOA: (a) general program operations (6.00 GPR positions); and (b) general program operations -- federal funds

(1.00 FED position). Funding associated with the positions ($673,400 GPR and $69,900 FED annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of the Wisconsin Historical Society related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

8. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Historical Society lapse $11,900 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

9. HISTORIC PRESERVATION APPEALS PROCESS

Governor: Provide that a state agency, political subdivision, or school board could appeal a decision of the State Historic Preservation Officer to DOA's Division of Hearings and Appeals. The Director of the Historical Society or his or her designee serves as the State Historic Preservation Officer and is responsible for determining if the proposed action of a state agency, political subdivision, or school board will affect any property that is listed on the national register of historic places in Wisconsin, the state register of historic places, the listing of locally designated historic places, or the listing of places that have been identified by the historic preservation officer as being of historic significance.

Require that a hearing examiner would be appointed to preside over any hearing or review under this provision. Specify that the Historical Society would pay costs associated with the hearing examiner, including support services. Fees would be set by the Administrator of the Division of Hearings and Appeals to cover the total cost of the services provided less any costs covered by the Division's existing appropriation.

No appeals process is specified under current law.

Joint Finance: Delete provision as non-fiscal policy.

10. CENTRAL LIBRARY DEPOSITORY

Governor/Joint Finance: Modify current law that authorizes both the UW Board of

Regents and the Board of Curators of the Historical Society to establish a central library depository, so that it would apply only to the Board of Curators. Under this current law provision, the Board of Curators can participate in the formation and maintenance of a central library depository for the storage of little used books and other library and research materials. The Board of Curators can designate representatives or members in accordance with the depository's articles and bylaws and pay for use of the depository's facilities and services, with authority to spend moneys for the purchase of land, the construction of buildings and additions to buildings, and the purchase of equipment subject to the Historical Society's existing appropriations.

A central library depository can be established at a location in a Midwestern state and, in addition to its storage function, can correlate library catalogs, coordinate and plan the purchase of costly or infrequently used books to avoid duplication with other participating institutions, and facilitate the loaning of library books and other materials between institutions. The Board of Curators retains ownership of all books and materials stored or loaned through the depository.

11. EXEMPTION OF CERTAIN DOCUMENTS FROM STATE DOCUMENT DISTRIBUTION REQUIREMENTS [LFB Paper 396]

Governor: Delete the exemption for state documents published exclusively for public sale by presses established by the Historical Society or the University of Wisconsin System and state documents sold primarily on a subscription basis from the state document depository library distribution requirements. Under current law, agencies must deliver three copies of each state document that is exempt from the state document depository library distribution to the Department of Public Instruction's Division for Libraries and Technology. These copies include one copy each for the Historical Society and the Legislative Reference Bureau. The definition of state document includes publications that are supported wholly or partly by funds appropriated by the state but does not include any publication of a state agency intended to be used solely for internal purposes or only between state agencies.

Joint Finance: Restore statutory language exempting state documents published exclusively for sale by presses established by the Historical Society and state documents sold primarily on a subscription basis from the state document depository library distribution requirements. A separate provision would exempt University of Wisconsin System documents from the requirements.

12. ELIMINATE CERTAIN BOARDS AND COUNCILS UNDER HISTORICAL SOCIETY

Joint Finance: Eliminate the Historical Society Endowment Fund Council, which is administratively attached to the Historical Society. Under current law, the council consists of ten members appointed by the Governor, including one representative of each of the following: (a) the Historical Society; (b) the Wisconsin Humanities Council; (c) the Wisconsin Academy of Science, Arts, and Letters; (d) the Arts Board; (e) Wisconsin public radio; and (f) Wisconsin public television. [See "Administration -- General Agency Provisions."]

INSURANCE

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$787,500	$0	- $787,500	- 100.0%	$0	N.A.
FED	798,400	244,600	244,600	0	0.0	- 553,800	- 69.4%
PR	35,449,200	37,410,100	37,256,000	- 154,100	- 0.4	1,806,800	5.1
SEG	181,554,800	223,698,500	183,246,700	- 40,451,800	- 18.1	1,691,900	0.9
TOTAL	$217,802,400	$262,140,700	$220,747,300	- $41,393,400	- 15.8%	$2,944,900	1.4%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
FED	8.30	7.80	7.10	- 0.70	- 1.20
PR	132.25	131.65	131.65	0.00	- 0.60
SEG	12.75	80.05	12.75	- 67.30	0.00
TOTAL	153.30	219.50	151.50	- 68.00	- 1.80

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$1,747,500
FED	952,200
SEG	73,300
Total	$2,773,000

Governor/Joint Finance: Provide $858,800 PR, $476,100 FED, and $36,000 SEG in 2015-16 and $888,700 PR, $476,100 FED, and $37,300 SEG in 2016-17 to reflect the following standard budget adjustments: (a) -$244,200 PR annually for turnover reduction; (b) $963,600 PR, $476,100 FED, and $33,600 SEG annually for full funding of continuing position salaries and fringe benefits; and (c) $139,400 PR and $2,400 SEG in 2015-16 and $169,300 PR and $3,700 SEG in 2016-17 for full funding of lease and directed move costs.

2. CEASE OPERATIONS OF THE LOCAL GOVERNMENT PROPERTY INSURANCE FUND [LFB Paper 400]

Governor: Specify that no insurance coverage may be issued under the local government property insurance fund program on or after July 1, 2015, no existing coverage may be renewed after December 31, 2015, and no coverage may terminate later than December 31, 2016. Specify that all claims under the program must be filed by no later than July 1, 2017, and that no claim filed after that date will be paid. Require the manager of the fund to distribute any moneys remaining in the fund among the local governmental units that were insured under the fund on July 1, 2015. Repeal an obsolete provisions related to a loan made by the local government property insurance fund to the general fund in 1992. The local government property insurance fund makes property insurance available for tax-supported local government property, such as government buildings, schools, libraries, and motor vehicles.

As of June 30, 2014, the fund had $51.9 billion of coverage in force for property owned by 982 entities, including 69 counties, 128 cities, 252 school districts, 161 towns, 242 villages, and 130 other governmental entities. OCI contracts with private companies to administer the fund.

Joint Finance: Delay, by two years, the ending dates for policy renewal and filing claims under the fund. Change the ending dates, as follows: (a) from January 1, 2016, to January 1, 2018, as the last date for the renewal of existing policies; and (b) from July 1, 2017, to July 1, 2019, as the last date for filing claims. Change the date related to the provision for the distribution of any moneys remaining in the fund to apply the distribution to local governmental units that were insured under the fund on July 1, 2017, instead of July 1, 2015.

Require the Insurance Commissioner to adopt the policy rates and structure recommended by the local government property insurance fund Advisory Committee at its meeting on April 9, 2015.

3. WORKER'S COMPENSATION TRANSFER [LFB Paper 735]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$787,500	0.00	- $787,500	0.00	$0	0.00
SEG	40,451,800	67.30	- 40,451,800	- 67.30	0	0.00
PR	180,600	0.70	- 180,600	- 0.70	0	0.00
Total	$41,419,900	68.00	- $41,419,900	- 68.00	$0	0.00

Governor: Provide $13,957,800 ($13,634,800 SEG, $262,500 GPR, and $60,300 PR) in 2015-16, $27,462,300 ($26,817,000 SEG, $525,000 GPR, $120,300 PR) in 2016-17, and 68.0 positions (67.3 SEG position and 0.7 PR position) annually to reflect a transfer of the worker's compensation program from the Department of Workforce Development to the Office of the Commissioner of Insurance (OCI). For a complete summary of this transfer, see "Workforce Development."

Joint Finance: Delete provision.

4. ACTUARIAL REVIEW OF OWN RISK AND SOLVENCY ASSESSMENT FILINGS

PR	$75,000

Governor/Joint Finance: Provide $37,500 annually to purchase actuarial services to review own risk and solvency assessment documents filed with OCI. With the passage of 2013 Wisconsin Act 279, insurers with total premium collections exceeding certain thresholds are required to maintain a risk management framework to assist the insurer in identifying, assessing, monitoring, managing, and reporting on its material and relevant risks, and to periodically file a summary report of this assessment with OCI. This item would fund contracted actuarial services to review documents filed in accordance with Act 279 requirements, based on OCI's estimate of the number and cost of such reviews.

5. BOALTC HELPLINE TRANSFER [LFB Paper 401]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $42,200	$26,500	- $15,700

Governor: Reduce funding by $21,100 annually to reflect a reestimate of the amount of insurance fee revenue that will be needed to fund telephone counseling services provided by the Board on Aging and Long-Term Care (BOALTC) for individuals seeking information on Medicare supplemental insurance policies ("Medigap" policies), Medicare Part D policies (policies that cover prescription drugs), and SeniorCare.

The BOALTC Helpline provides free one-on-one insurance counseling services to state residents over the age of 60. The Helpline is supported from two sources -- federal funds the state receives under the state health insurance assistance program (SHIP) and state insurance fee revenue budgeted as part of OCI's general program operations appropriation that OCI transfers to BOALTC.

Joint Finance: Increase funding by $13,000 in 2015-16 and $13,500 in 2016-17 to increase the transfer to fully fund lease costs.

6. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that OCI lapse $902,700 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

7. STATE LIFE INSURANCE FUNDS CLAIMS REESTIMATE

SEG	$1,618,600

Governor/Joint Finance: Provide $654,000 in 2015-16 and $964,600 in 2016-17 to reflect an estimate of claims OCI will pay from the state life insurance fund during the 2015-17 biennium. The fund provides life insurance policies for participating state residents, with a

maximum value of $10,000, and is supported by premiums paid by policyholders and earnings on fund investments. With these increases, total claim payments would be estimated at $4,182,400 in 2015-16 and $4,493,000 in 2016-17.

8. FEDERAL FUNDS REESTIMATE FOR RATE REVIEW

FED	- $1,506,000

Governor/Joint Finance: Reduce funding by $630,700 in 2015-16 and by $875,300 in 2016-17 to adjust OCI's federal funds appropriation to reflect the spend-down of a federal grant for health insurance rate review functions. OCI received a federal rate review grant of $3,958,800 in 2011 to establish systems and improve rate review functions. OCI expects that $244,600 of that grant will be unexpended at the end of the 2013-15 biennium. This item reduces base funding to reflect the assumption that the remaining funds would be expended in 2015-16, and that no funding would remain in 2016-17.

9. ELIMINATE LONG-TERM VACANCIES

	Position
FED	- 0.50

Governor/Joint Finance: Delete 0.5 position, beginning in 2015-16, as part of the Governor's budget initiative to eliminate positions that have been vacant for more than 12 months. This federally funded position was created to conduct premium rate reviews.

10. TRANSFER ADMINISTRATIVE LAW JUDGE FUNCTIONS [LFB Paper 402]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	- 1.30	0.70	- 0.60
FED	0.00	- 0.70	- 0.70
Total	- 1.30	0.00	- 1.30

Governor: Delete 1.3 positions, beginning in 2015-16, related to administrative law judge functions in OCI, in connection with an initiative to require the Office to utilize services provided by the DOA Division of Hearings and Appeals (DHA) for hearings conducted in the course of insurance regulation. The bill would transfer $72,100 annually from salary and fringe benefit lines to the supplies and services line in OCI's general administration appropriation, to allow the Office to fund services provided by DHA. The Department of Administration anticipates that DHA would conduct OCI-related hearings using existing position authority, so the bill would not provide additional positions in DHA. The 1.3 administrative law judge positions in OCI are currently split-funded (0.6 PR position and 0.7 FED position). DOA indicates that the intent of this provision was to reduce position authority based on that funding split.

Joint Finance: Delete 0.7 FED position and provide 0.7 PR position to correctly reflect

the funding split for the transferred position authority.

11. REPEAL HIRSP WIND-DOWN PLAN APPROPRIATIONS

Governor/Joint Finance: Repeal appropriations in the Office of the Commissioner of Insurance related to the wind-down plan and operational expenses of the Health Insurance Risk-Sharing Plan (HIRSP), effective January 1, 2016. All policies issued by the HIRSP Authority terminated on March 31, 2014, and the HIRSP Authority was dissolved. Since that time, OCI has administered a wind-down plan to pay any remaining claims and dispense with remaining assets.

12. PHARMACY BENEFIT MANAGER REGULATION

Joint Finance: Require any pharmacy benefit manager, with respect to a contract with a pharmacy, to agree to do the following in each contract or contract renewal: (a) update maximum allowable cost pricing information for prescribed drugs or devices at least every seven business days and provide a means by which contracted pharmacies may promptly review pricing updates in a format that is readily available and accessible; (b) reimburse pharmacists and pharmacies for prescribed drugs or devices subject to maximum allowable cost information that has been updated at least every seven business days; and (c) eliminate prescribed drugs or devices from the maximum allowable cost information or modify maximum allowable cost in a timely fashion, consistent with availability of prescribed drugs or devices and pricing changes in the marketplace.

Require a pharmacy benefit manager and pharmacy to include in each contract with a pharmacy a process to appeal, investigate, and resolve disputes regarding maximum allowable cost pricing that includes the following: (a) a 21-day limit on the right to appeal following the initial claim; (b) a requirement that the appeal be investigated and resolved within 21 days after the date of the appeal; (c) a dedicated telephone number at which the pharmacy may contact the pharmacy benefit manager to speak to a person responsible for processing appeals; (d) a requirement that a pharmacy benefit manager provide a reason for any appeal denial and the national drug code published in a directory by the Food and Drug Administration of a prescribed drug or device that may be purchased by retail network pharmacies at a price at or below the maximum allowable cost; and (e) a requirement that a pharmacy benefit manager make a pricing adjustment no later than one day after the date of the final determination of the appeal.

Define a pharmacy benefit manager as an entity doing business in Wisconsin that contracts to administer or manage prescription drug benefits on behalf of any insurer or other entity that provides prescription drug benefits to Wisconsin residents. Define a prescription drug benefit as coverage of or payment or assistance for prescribed drugs or devices. Create cross references to current law definitions for the following terms: pharmacist, pharmacy, and prescribed drug or device.

Specify that these provisions take effect on July 1, 2016.

13. AUTHORIZATION FOR OUT-OF-STATE RISK RETENTION GROUPS TO SELL MEDICAL LIABILITY INSURANCE IN WISCONSIN

Joint Finance: Specify that a risk retention group that has not been issued an authorization to do business in the state as a nondomestic insurer ("foreign risk retention group") is authorized to sell health care liability policies if the risk retention group is approved by the Insurance Commissioner and it has and maintains a risk-based capital ratio of at least 300%, as determined under the risk-based capital instructions adopted by the National Association of Insurance Commissioners. Specify that a foreign risk retention group is considered an "insurer" for the purposes of Chapter 655 of the statutes (Health Care Liability and Injured Patients and Families Compensation), thereby extending the excess coverage offered by the injured patients and families compensation fund to parties insured by a foreign risk retention group that otherwise complies with Chapter 655 requirements for insurers. Specify that a 3% premium tax applicable to nondomestic insurers applies to a foreign risk retention group that sells health care liability insurance under Chapter 655.

14. DISPUTE RESOLUTION PROCESS RELATING TO HEALTH INSURANCE COVERAGE OF CHIROPRACTIC TREATMENT

Joint Finance: Require the Insurance Commissioner to promulgate rules that provide for a fast, fair, cost-effective, and binding independent process for resolving disputes related to insurer conduct with respect to statutory requirements for chiropractic coverage, access, and reimbursement. Specify that the rules must include at least all of the following: (a) the procedures for making a request to the Commissioner for an independent dispute resolution, including specification of who is eligible to request an independent dispute resolution; (b) a requirement that individuals requesting an independent dispute resolution must first exhaust any internal grievance procedure established by the insurer for grievances related to conduct pertaining to chiropractic coverage requirements; (c) the application procedure and qualifications, including conflict of interest provisions, for individuals to act as independent reviewers under the independent dispute resolution process and the inclusion of retired members of the state judiciary as individuals who are eligible to act as independent reviewers; (d) the procedure for selecting an independent reviewer to review a particular complaint; (e) the procedures, including timelines, that an independent reviewer must follow when reviewing a complaint and a requirement that an independent reviewer must render a decision regarding a particular complaint within nine months after the Commissioner receives the request for independent dispute resolution; (f) procedures for setting and paying the fees of the independent reviewers; (g) a requirement that the insurer about which the independent dispute resolution is requested pay the fees of the independent reviewer; and (h) the relief to which an individual who requests independent dispute resolution and who prevails is entitled, including injunctive and declaratory relief and monetary relief due to underpayments by the insurer. Authorize the Commissioner to promulgate emergency rules for the period before the effective date of permanent rules, without being required to provide evidence that an emergency rule is necessary for the preservation of public peace, health, safety, or welfare, or being required to provide a finding of emergency.

INVESTMENT BOARD

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$93,707,200	$93,707,200	$93,707,200	$0	0.0%	$0	0.0%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
PR	166.35	166.35	166.35	0.00	0.00

Under current law, the State of Wisconsin Investment Board (SWIB) is authorized to independently establish its operating budget each year and monitor the fiscal management of the budget. Further, SWIB's Executive Director is also authorized to independently create or abolish staff positions for the agency. The Investment Board is required to provide quarterly reports to the Department of Administration, the Co-Chairpersons of the Joint Committee on Finance and the Co-Chairpersons of the Joint Committee on Audit, identifying all operating expenditures and the number of full-time equivalent positions created or abolished during that quarter. Finally, SWIB officials are required to appear each fiscal year at the first quarterly meeting of the Joint Committee on Finance under s. 13.10 of the statutes, to provide an update of SWIB's budget changes, position authorization changes, assessment of the funds under management, and performance of the funds under management for the current and next fiscal year.

Total expenditures in 2013-14 for the Board were $41,361,600 with 166.35 authorized positions. In June, 2014, the Board approved an operating budget for 2014-15 of $46,853,600. In the table above, this amount is indicated for the adjusted base in 2014-15. The SWIB budget recommendation also utilizes this amount for 2015-16 and 2016-17. The actual 2015-16 budget is expected to be finalized by the Board in June, 2015, and the 2016-17 budget one year later.

JUDICIAL COMMISSION

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$585,400	$0	$603,200	$603,200	N.A.	$17,800	3.0%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	2.00	0.00	2.00	2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$17,800

Governor/Joint Finance: Provide standard budget adjustments associated with full funding of salary and fringe benefits ($7,500 annually) and full funding of lease and directed moves costs ($1,100 in 2015-16 and $1,700 in 2016-17).

2. TRANSFER JUDICIAL COMMISSION TO THE SUPREME COURT [LFB Paper 405]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	- $603,200	- 2.00	$603,200	2.00	$0	0.00

Governor: Eliminate the Judicial Commission as a separately budgeted agency, and transfer funding and position authority to the Supreme Court. Funding would include $301,300 in 2015-16 and $301,900 in 2016-17 and 2.0 positions annually. Rename the Supreme Court's Bar Examiners and Responsibility program to be Bar Examiners and Responsibility; Judicial

Commission. Create a new biennial appropriation for general program operations of the Judicial Commission and payments related to contractual agreements for investigations, prosecutions, or both. Currently, the Commission has an annual appropriation for general program operations and a biennial appropriation for contractual agreements for investigations.

Under current law, the Judicial Commission investigates and prosecutes any possible misconduct or permanent disability of Wisconsin judges or court commissioners. The Commission includes nine members: (a) five nonlawyers nominated by the Governor with the advice and consent of the Senate; and (b) one Circuit Court judge, one Court of Appeals judge, and two members of the State Bar of Wisconsin, who are not judges or court commissioners, appointed by the Supreme Court. The Commission elects one of its members as chairperson.

Joint Finance: Delete provision. [See "Supreme Court."]

JUDICIAL COUNCIL

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$140,800	$0	$0	$0	N.A.	- $140,800	- 100.0%
PR	0	0	222,500	222,500	N.A.	222,500	N.A.
TOTAL	$140,800	$0	$222,500	$222,500	N.A.	$81,700	58.0%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	0.50	0.00	0.00	0.00	- 0.50
PR	0.50	0.00	1.00	1.00	0.50
TOTAL	1.00	0.00	1.00	1.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $7,100
PR	88,800
Total	$81,700

Governor/Joint Finance: Provide standard budget adjustments associated with full funding of salary and fringe benefits (-$4,600 GPR and $44,400 PR annually) and full funding of least directed moves costs ($900 GPR in 2015-16 and $1,200 GPR in 2016-17).

2. ELIMINATE JUDICIAL COUNCIL [LFB Paper 410]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	- $133,700	- 0.50	$0	0.00	- $133,700	- 0.50
PR	- 88,800	- 0.50	222,500	1.00	133,700	0.50
Total	- $222,500	- 1.00	$222,500	1.00	$0	- 0.00

Governor: Eliminate the Judicial Council and staff. Delete funding and position authority of $66,700 GPR and 0.5 GPR position in 2015-16, $67,000 GPR and 0.5 GPR position in 2016-17, and $44,400 PR and 0.5 PR position annually.

Under current law, the Judicial Council includes 21 members, including: one Supreme Court justice designated by the Supreme Court, one Court of Appeals judge designated by the Court of Appeals, the Director of State Courts or his or her designee, four Circuit Court judges designated by the judicial conference, the Chairpersons of the Senate and Assembly committees dealing with judicial affairs or a member of each committee designated by the Chairpersons, the Attorney General or his or her designee, the Chief of the Legislative Reference Bureau or his or her designee, the Deans of the University of Wisconsin and Marquette University law schools or a member of the law schools' faculty designated by the Deans, the State Public Defender or his or her designee, the president-elect of the State Bar of Wisconsin or a member of the State Bar Board of Governors, three additional members of the State Bar selected by the State Bar to serve three-year terms, one District Attorney appointed by the Governor, and two citizens at large appointed by the Governor to serve three-year terms.

The Judicial Council is authorized to observe, survey, and study the operation and administration of all the courts in Wisconsin, and make recommendations to the Supreme Court, Governor, and Legislature on "any changes in the organization, operation and methods of conducting the business of the courts that will improve the efficiency and effectiveness of the court system and result in in cost savings."

Joint Finance: Delete provision and maintain the Judicial Council as an independent agency. Convert the current staff position (split 0.5 GPR and 0.5 PR position) to a 1.0 PR position funded from the Judicial Council's continuing program revenue appropriation with monies from the Supreme Court's Director of State Courts and State Law Library programs. Provide $66,700 PR and 0.5 PR position annually. Under current law, the Council's program revenue appropriation is funded from all monies transferred from any of the GPR and PR appropriations of the Supreme Court's Director State Courts or the State Law Library.

JUSTICE

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$96,862,600	$102,759,900	$102,656,500	-$103,400	- 0.1%	$5,793,900	6.0%
FED	49,990,200	45,212,900	44,799,900	- 413,000	- 0.9	- 5,190,300	- 10.4
PR	100,629,000	103,117,200	105,127,700	2,010,500	1.9	4,498,700	4.5
SEG	789,200	775,700	775,700	0	0.0	- 13,500	- 1.7
TOTAL	$248,271,000	$251,865,700	$253,359,800	$1,494,100	0.6%	$5,088,800	2.0%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	392.58	393.18	392.18	- 1.00	- 0.40
FED	42.33	37.18	34.18	- 3.00	- 8.15
PR	238.08	241.63	245.63	4.00	7.55
SEG	2.75	2.75	2.75	0.00	0.00
TOTAL	675.74	674.74	674.74	0.00	- 1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$6,223,100
PR	222,300
FED	- 12,685,300
SEG	- 13,500
Total	- $6,253,400

Governor/Joint Finance: Provide adjustments to the base totaling $3,069,500 GPR, $42,500 PR, -$6,349,700 FED, and -$7,100 SEG in 2015-16, and $3,153,600 GPR, $179,800 PR, -$6,335,600 FED, and -$6,400 SEG in 2016-17. Adjustments are for: (a) turnover reduction (-$602,800 GPR and -$134,200 PR annually); (b) removal of non-continuing elements from the base (-$147,000 PR annually); (c) full funding of continuing position salaries and fringe benefits ($2,997,600 GPR, -$282,300 PR, -$67,100 FED, and -$22,800 SEG annually); (d) reclassifications and semiautomatic pay progression ($114,100 PR and $17,300 FED in 2015-16, and $192,900 PR and $25,400 FED in 2016-17); (e) overtime ($151,000 GPR, $533,400 PR, and $11,000 SEG annually); (f) night and weekend pay differential ($9,600 GPR and $2,200 PR annually); and (g) full funding of lease and directed moves costs ($514,100 GPR, -$43,000 PR, -$6,299,900 FED, and $4,700 SEG in 2015-16, and $598,200 GPR, $15,500 PR, -$6,293,900 FED, and $5,400

SEG in 2016-17).

2. MINOR TRANSFERS WITHIN APPROPRIATIONS

Governor/Joint Finance: Provide the following transfers within appropriations:

a. Transfer $794,400 PR annually within the interoperable communications system appropriation from funding for supplies and services to aid to individuals and organizations. The transfer would reflect monies that DOJ pays to the Department of Transportation to contribute to the operation of the Wisconsin Interoperable System of Communications (a public safety interoperable communication system that permits emergency responders statewide to communicate with each other).

b. Transfer $91,000 FED annually within the legal services federal aid appropriation from funding for rent to supplies and services. The Department of Justice indicates that the base funding for rent within this appropriation ($157,700) exceeds the needed amount.

c. Transfer $18,700 FED annually within the administrative services indirect cost reimbursements appropriation from funding for rent to supplies and services. Base funding for rent within this appropriation is $18,700.

3. POSITION TRANSFERS FOR THE TAD PROGRAM

Governor/Joint Finance: Transfer 4.6 positions within the law enforcement services general program operations GPR appropriation, as identified below. The transfers reflect action taken by the Joint Committee on Finance on November 12, 2014, to provide DOJ 5.0 GPR positions for the administration and evaluation of the treatment alternatives and diversion (TAD) program and the drug court grant program. In addition, the Committee directed DOJ to delete 5.0 GPR position vacancies. [Note that, in addition to the 4.6 positions identified below, the Department is utilizing an existing 0.4 positions within Criminal Justice Programs to support the administration and evaluation of the TAD program.]

a. Transfer 2.6 GPR positions from the Crime Information Bureau to Criminal Justice Programs.

b. Transfer 1.0 GPR positions from the Crime Laboratories to Criminal Justice Programs.

c. Transfer 1.0 GPR positions from DNA Analysis Resources to Criminal Justice Programs.

4. ELIMINATE LONG-TERM VACANCIES [LFB Paper 415]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$0	- 0.45	- $58,600	0.00	- $58,600	- 0.45
FED	0	- 4.55	- 413,000	1.00	- 413,000	- 3.55
Total	$0	- 5.00	- $471,600	1.00	- $471,600	- 4.00

Governor: Reduce position authority by 0.45 PR positions and 4.55 FED positions as identified in the table below. The positions proposed for elimination have been vacant for 12 months or longer. Expenditure authority associated with the positions is not deleted. [Note that 1.0 FED position proposed for elimination under this provision is also proposed for elimination under the bill's provision to reduce federal funding for the Department of Justice (see "Federal Funding Reduction").]

Appropriation	Base Position Authority	2015-17 Change	Position Classification
Law Enforcement Services (PR)			
Law enforcement programs and youth diversion - administration	1.40	-0.45	Program and policy analyst - advanced
Law Enforcement Services (FED)			
Federal aid, state operations	30.13	-1.00	Policy initiatives advisor - administrator
		-1.00	Program and policy analyst - advanced
		-1.00	Operations program associate
		-0.55	Program and policy analyst - advanced
		-1.00	Criminal analyst - senior
FED Total		-4.55	

Joint Finance: Restore 1.0 FED program and policy analyst position to account for the fact that two provisions of the bill eliminated the same position (see "Federal Funding Reduction," Item #5). As a result, a total of 0.45 PR position and 3.55 FED positions annually would be deleted from the Department's budget to account for long-term vacancies. In addition, delete $29,300 PR and $206,500 FED annually associated with the salary and fringe benefit costs of the eliminated 0.45 PR position and 3.55 FED positions.

5. FEDERAL FUNDING REDUCTION [LFB Paper 415]

	Funding	Positions
FED	- $156,200	- 1.00

Governor/Joint Finance: Reduce funding and position authority by $78,100 and 1.0 position annually. The reduction in funding and position authority is associated with a program and policy analyst - advanced position that has been vacant since July 14, 2012. The administration indicates that federal funding for this program no longer exists, primarily due to a reduction in federal justice assistance grants. [Note that the FED position associated with the federal funding reduction is also being eliminated under the bill's

provision to eliminate long-term vacancies in the Department of Justice (see "Eliminate Long-Term Vacancies").]

6. POSITION REALIGNMENT

	Funding	Positions
GPR	- $47,200	- 0.40
PR	7,200	0.00
FED	40,000	0.40
Total	$0	0.00

Governor/Joint Finance: Provide -$23,600 GPR, $3,600 PR, and $20,000 FED annually, -0.4 GPR position and 0.4 FED position, as well as transfers between appropriations, in order to align the funding of certain positions with statutory purposes. According to the Department of Justice, during the 2013-15 biennium the responsibilities of various positions changed due to reorganizations and DOJ assuming new responsibilities following the dissolution of the Office of Justice Assistance under 2013 Act 20. The following table identifies the changes to base funding for the affected appropriations.

		Base		Appropriations		Positions	
Fund/Program	Affected Appropriation	Funding	Positions	2015-16	2016-17	2015-16	2016-17
GPR							
Legal Services	General program operations	$12,941,800	127.75	-$108,900	-$108,900	-1.00	-1.00
Law Enforcement Services	General program operations	19,651,100	203.43	-4,400	-4,400	-0.35	-0.35
Administrative Services	General program operations	5,317,800	48.00	89,700	89,700	0.95	0.95
	GPR Total	$37,910,700	379.18	-$23,600	-$23,600	-0.40	-0.40
PR							
Legal Services	Interagency and intra-agency assistance	$1,239,100	10.90	$34,300	$34,300	0.50	0.50
Law Enforcement Services	Criminal history searches; fingerprint identification	4,592,700	38.01	-77,400	-77,400	-1.00	-1.00
	Terminal charges	2,349,900	5.00	60,000	60,000	1.25	1.25
	Law enforcement training fund, state operations	3,046,700	23.32	18,500	18,500	0.00	0.00
	Interagency and intra-agency assistance	1,112,700	7.30	-75,800	-75,800	-1.50	-1.50
	Drug law enforcement, crime laboratories, and genetic evidence activities	8,016,300	69.50	58,900	58,900	1.00	1.00
	Wisconsin justice information sharing program	667,800	4.40	-14,900	-14,900	-0.25	-0.25
	PR Total	$21,025,200	158.43	$3,600	$3,600	0.00	0.00
FED							
Law Enforcement Services	Federal aid; state operations	$2,627,600	20.38	-$92,200	-$92,200	-1.60	-1.60
Victims and Witnesses	Federal aid; state operations relating to crime victim services	1,113,300	4.50	88,900	88,900	1.60	1.60
	Federal aid; victim assistance	7,233,200	2.60	23,300	23,300	0.40	0.40
	FED Total	$10,974,100	27.48	$20,000	$20,000	0.40	0.40

7. EXPENDITURE AUTHORITY REESTIMATES

PR	$2,565,000
FED	8,024,200
Total	$10,589,200

Governor/Joint Finance: Provide the following expenditure authority increases for continuing program revenue appropriations to reflect current revenue projections and program expenditures:

a. $737,500 PR annually for the appropriation that supports the concealed carry licensure and certification program and the handgun purchaser record check program. The

Department's Firearms Unit is charged with the responsibility of administering licenses to eligible individuals seeking to carry a concealed weapon, as well as certification cards to eligible former federal law enforcement officers seeking to carry concealed. Additionally, the unit responds to requests from firearm dealers seeking to have a background check performed on a potential firearm purchaser. Funding for both the concealed carry licensure program and the handgun purchaser record check program is generated from fees associated with applications, license renewal or replacement, and background checks. Base funding for the appropriation is $1,327,700.

b. $470,000 PR annually to the law enforcement services interagency and intra-agency assistance continuing appropriation. This appropriation generates revenue from monies received from other state agencies, as well as from transfers within the Department, for providing law enforcement services. Base funding for the appropriation is $1,112,700.

c. $75,000 PR annually for the program revenue appropriation that provides partial support for the sexual assault victim services (SAVS) grant program. The Department utilizes a combination of general purpose revenue and program revenue to administer annual grants to nonprofit organizations or public agencies that provide services for sexual assault victims. Program revenue for the SAVS program is generated from the child pornography surcharge, which is imposed on individuals 18 years of age or older who are sentenced or placed on probation for sexual exploitation of a child or possession of child pornography. The surcharge totals $500 for each original or copy of a pornographic image associated with the crime. Base funding for the appropriation is $0.

Additionally, provide the following expenditure authority changes for federal revenue appropriations to reflect current revenue projections:

a. -$91,000 FED annually to the legal services federal aid appropriation. Base funding for the appropriation is $1,205,300.

b. $1,000,000 FED annually to the law enforcement services federal aid, state operations appropriation. Base funding for the appropriation is $2,627,600.

c. -$771,900 FED annually to the law enforcement services federal aid, local assistance appropriation. Base funding for the appropriation is $11,655,000.

d. $150,000 FED annually to the administrative services indirect cost reimbursements appropriation. Indirect cost reimbursements are monies received from the federal government to support the indirect costs associated with administering federal grants and contracts. Indirect costs may include: administration, program implementation, position funding, payment of federal aid disallowances, and other purposes permitted by law. Base funding for the appropriation is $336,800.

e. $1,000,000 FED annually to the victims and witnesses federal aid; victim compensation appropriation. Base funding for the appropriation is $823,900.

f. -$290,000 FED annually to the victim and witnesses federal aid, state operations relating to crime victim services appropriation. Funding in the appropriation is utilized to support

the administration of crime victim services. Base funding for the appropriation is $1,113,300.

g. $3,015,000 FED annually to the victim and witnesses federal aid; victim assistance appropriation. Funding in the appropriation is utilized to fund state and local services aimed at providing support to crime victims. Base funding for the appropriation is $7,233,200.

8. PENALTY SURCHARGE MODIFICATIONS [LFB Papers 416, 417, and 418]

Governor: Modify current law relating to penalty surcharge obligations as identified below. Generally, whenever a court imposes a fine or forfeiture for a violation of state law or for a violation of a municipal or county ordinance, the court must impose a penalty surcharge totaling 26% of the total fine or forfeiture. The penalty surcharge is not imposed, however, when the court imposes a fine or forfeiture for a violation relating to the following: (a) prohibitions against smoking; (b) failure to carry proof of motor vehicle insurance; (c) nonmoving traffic violations; (d) lack of possession of a special identification card for the physically disabled; and (e) safety belt use.

Revenues from the penalty surcharge are received by DOJ's penalty surcharge; receipts appropriation. Under current law, monies are transferred from the penalty surcharge; receipts appropriation to appropriations within DOJ, the Department of Public Instruction, the Department of Corrections, and the State Public Defender.

Court Interpreters. Utilize penalty surcharge receipts to support the Circuit Courts' program revenue expenses related to court interpreters. Further, require that, at the end of each fiscal year, the unencumbered balance of the Circuit Courts' court interpreters appropriation transfer to the penalty surcharge appropriation.

Under current law, the Director of State Courts must reimburse counties for the actual expenses paid for interpreters required by circuit courts to assist individuals with limited English proficiency. Funding for court interpreters is provided, in part, from justice information system (JIS) surcharge receipts. Subject to certain exceptions, the $21.50 JIS surcharge is imposed with a court fee for the commencement or filing of certain court proceedings. Base funding for court interpreters from JIS surcharge revenue is $232,700. [See "Justice Information System Surcharge Appropriation Modifications," Item #9.]

Crime Laboratory Equipment. Utilize receipts from the crime laboratory and drug law enforcement surcharge and the deoxyribonucleic acid (DNA) surcharge, rather than the penalty surcharge, to support crime laboratory equipment and supplies. Further, provide that at the end of each fiscal year, the unencumbered balance of the crime laboratory equipment and supplies appropriation transfer to DOJ's crime laboratories and DNA analysis appropriation. The state operates three crime laboratories located in Madison, Milwaukee, and Wausau to assist Wisconsin law enforcement agencies in criminal investigations. The crime laboratory equipment and supplies appropriation supports: (a) the maintenance, repair, upgrade, and replacement costs of laboratory equipment; (b) supplies used to maintain, repair, upgrade and replace laboratory equipment; and (c) the operating costs of the three state crime laboratories. Base funding from the penalty surcharge for the crime laboratory equipment and supplies appropriation is $558,100.

Under current law, the $13 crime laboratory and drug law enforcement surcharge is assessed if a court imposes a sentence, places a person on probation, or imposes a forfeiture for a violation of most state laws or municipal or county ordinances. Similar to the penalty surcharge, the crime laboratory and drug law enforcement surcharge is not imposed for violations relating to: (a) prohibitions against smoking; (b) proof of motor vehicle insurance; (c) nonmoving traffic violations; (d) possession of a special identification card for the physically disabled; and (e) safety belt use. The DNA surcharge is assessed if a court imposes a sentence or places a person on probation. The DNA surcharge totals $250 for each felony conviction and $200 for each misdemeanor conviction.

The following table summarizes the obligations of the penalty surcharge, as affected by the bill:

Agency	Penalty Surcharge Obligation	Base Funding	2015-16	2016-17
Justice	Law enforcement training fund, local assistance	$4,364,800	$4,364,800	$4,364,800
	Law enforcement training fund, state operations	3,046,700	3,063,600	3,067,000
	Crime laboratory equipment and supplies*	558,100	0	0
	Transaction information management of enforcement (TIME) system	729,900	713,700	714,300
	Drug crimes enforcement; local grants	717,900	717,900	717,900
	Youth diversion program**	672,400	0	0
	Law enforcement programs - administration	162,900	175,100	175,300
	Drug enforcement intelligence operations	1,701,200	1,652,700	1,667,500
	Reimbursement to counties for victim-witness services	748,900	748,900	748,900
	State justice assistance grants***	0	525,100	525,100
Public Instruction	Alcohol and other drug abuse programs	597,600	609,500	609,500
	Aid for alcohol and other drug abuse programs	1,284,700	1,284,700	1,284,700
Corrections	Victim services and programs	280,700	272,200	272,200
	Correctional officer training	2,357,500	2,416,600	2,416,600
Public Defender	Conferences and training	146,900	151,800	151,900
Circuit Courts	Court interpreters****	0	232,700	232,700
Total		$17,370,200	$16,929,300	$16,948,400

*Under the budget bill, crime lab equipment and supplies would be funded by the crime laboratory and drug law enforcement surcharge and the DNA surcharge.

**Under the budget bill, the youth diversion grant program would be eliminated. [see "State Justice Assistance Grants."]

***Under the budget bill, a state justice assistance grant program would be created and partially funded from penalty surcharge revenues. [see "State Justice Assistance Grants."]

****Court interpreters are currently funded from justice information system surcharge revenues.

Joint Finance: As a result of the deletion of the state justice assistance grant program and the restoration of the youth diversion grant program (Item #11), modify penalty surcharge obligations as identified in the table below.

Agency	Penalty Surcharge Obligation	Base Funding	2015-16	2016-17
Justice	Law enforcement training fund, local assistance	$4,364,800	$4,364,800	$4,364,800
	Law enforcement training fund, state operations	3,046,700	3,063,600	3,067,000
	Crime laboratory equipment and supplies	558,100	0	0
	Transaction information management of enforcement (TIME) system	729,900	713,700	714,300
	Drug crimes enforcement; local grants	717,900	717,900	717,900
	Youth diversion program*	672,400	672,400	672,400
	Law enforcement programs - administration	162,900	175,100	175,300
	Drug enforcement intelligence operations	1,701,200	1,652,700	1,667,500
	Reimbursement to counties for victim-witness services	748,900	748,900	748,900
	State justice assistance grants*	0	0	0
Public Instruction	Alcohol and other drug abuse programs	597,600	609,500	609,500
	Aid for alcohol and other drug abuse programs	1,284,700	1,284,700	1,284,700
Corrections	Victim services and programs	280,700	272,200	272,200
	Correctional officer training	2,357,500	2,416,600	2,416,600
Public Defender	Conferences and training	146,900	151,800	151,900
Circuit Courts	Court interpreters	0	232,700	232,700
Total		$17,370,200	$17,076,600	$17,095,700

*As a result of action taken by the Joint Committee on Finance, the state justice assistance grant program would be eliminated from the bill and the youth diversion grant program would be restored.

9. JUSTICE INFORMATION SYSTEM SURCHARGE APPROPRIATION MODIFICATIONS [LFB Papers 416, 417, and 418]

Governor: Modify current law relating to the justice information system (JIS) surcharge as identified below. Subject to certain exceptions, the $21.50 JIS surcharge is currently imposed with a court fee for the commencement or filing of certain court proceedings, including: civil, small claims, forfeiture, wage earner, or garnishment actions; an appeal from municipal court; a third party complaint in a civil action; or counterclaim or cross complaints in a small claims action. The JIS surcharge is not imposed, however, when an individual is charged a fee for the commencement or filing of court proceedings relating to the following violations: (a) failure to carry proof of vehicle insurance; (b) lack of possession of a special identification card for the physically disabled; and (c) safety belt use.

Under current law, $6 from every JIS surcharge is received by the Court System for the operation of the Consolidated Court Automation Programs (CCAP), while the remaining surcharge receipts ($15.50) are received by the Department of Administration's (DOA) JIS surcharge continuing PR appropriation. The JIS surcharge appropriation is required to lapse the first $700,000 it receives to the general fund to be recorded as GPR-Earned. Subsequent JIS surcharge revenues received by the appropriation are transferred to annual appropriations in DOA, DOJ, the Department of Corrections, and the Court System to support the following state programs: (a) justice information systems; (b) the Wisconsin Interoperability System for Communications (WISCOM); (c) the Wisconsin Justice Information Sharing program (WiJIS); (d) treatment alternatives and diversion (TAD) grants; (e) law enforcement officer grants; (f)

child advocacy center grants; (g) victim notification; and (h) court interpreters.

a. *Court Interpreters.* Utilize penalty surcharge revenues, rather than JIS surcharge revenues, to support the Circuit Courts' expenses related to court interpreters. Under current law, the Director of State Courts must reimburse counties for the actual expenses paid for interpreters required by circuit courts to assist persons with limited English proficiency. Base funding for court interpreters from JIS surcharge revenue is $232,700.

The penalty surcharge is assessed when a court imposes a fine or forfeiture for most violations of state law or for a violation of municipal or county ordinance. The penalty surcharge totals 26% of the total fine or forfeiture. [See "Penalty Surcharge Modifications," Item #8.]

b. *Reversion of Funding.* Modify current law such that, at the end of each fiscal year, an unencumbered balance in an appropriation that is supported through a transfer of funds from DOA's JIS surcharge appropriation reverts to DOA's JIS surcharge appropriation. Further, provide that, if any of the currently funded appropriations supported through a transfer of funds from DOA's JIS surcharge appropriation (other than the Circuit Courts' court interpreters PR appropriation) has an unencumbered balance at the end of 2014-15, an amount equal to that unencumbered balance must be transferred from the appropriation to DOA's JIS surcharge appropriation in 2015-16.

Under current law, an unencumbered balance in an appropriation that is supported through a transfer of funds from the JIS surcharge appropriation remains with the appropriation.

The following table identifies the obligations for the JIS surcharge, as affected by the bill:

Agency	Justice Information System Surcharge Obligation	Base Funding	2015-16	2016-17
Administration	Justice information systems	$4,123,500	$4,232,100	$4,234,000
Justice	Interoperable communications system	1,022,200	1,045,000	1,045,000
	Law enforcement officer supplement grants*	1,224,900	0	0
	Child advocacy center grant program*	238,100	0	0
	Treatment, alternatives, and diversion (TAD) grant program	1,078,400	1,078,400	1,078,400
	Wisconsin justice information sharing programs	667,800	714,100	714,800
	State justice assistance grants**	0	1,224,900	1,224,900
Corrections	Victim notification	682,300	682,300	682,300
Circuit Courts	Court interpreters***	232,700	0	0
Total****		$9,269,900	$8,976,800	$8,979,400

*Under the bill, the law enforcement officer grant program and the child advocacy center grant program would be eliminated. [See "State Justice Assistance Grants."]

**Under the bill, a new state justice assistance grant program would be created and partially funded from JIS surcharge revenues. [See "State Justice Assistance Grants."]

***Under the bill, court interpreters would be funded through revenue from the penalty surcharge.

****Total obligation amounts do not include the following: (a) a first draw lapse of $700,000 to the general fund; (b) $6.00 of every $21.50 assessed that is allocated to the Court System for the operation of CCAP.

Joint Finance: As a result of the deletion of the state justice assistance grant program and the restoration of the law enforcement officer grant program and the child advocacy center grant program (Item #11), modify JIS surcharge obligations as identified in the table below.

Agency	Justice Information System Surcharge Obligation	Base Funding	2015-16	2016-17
Administration	Justice information systems	$4,123,500	$4,232,100	$4,234,000
Justice	Interoperable communications system	1,022,200	1,045,000	1,045,000
	Law enforcement officer supplement grants*	1,224,900	1,224,900	1,224,900
	Child advocacy center grant program*	238,100	238,100	238,100
	Treatment, alternatives, and diversion (TAD) grant program	1,078,400	1,078,400	1,078,400
	Wisconsin justice information sharing programs	667,800	714,100	714,800
	State justice assistance grants*	0	0	0
Corrections	Victim notification	682,300	682,300	682,300
Circuit Courts	Court interpreters	232,700	0	0
Total		$9,269,900	$9,214,900	$9,217,500

*As a result of action taken by the Joint Committee on Finance, the state justice assistance grant program would be eliminated from the bill and the law enforcement officer grant program and the child advocacy center grant program would be restored.

10. JUSTICE INFORMATION SYSTEM SURCHARGE FEE MODIFICATIONS [LFB Paper 418]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	$2,998,000	- $2,998,000	$0

Governor: Repeal current exceptions to the JIS surcharge. As a result, the JIS surcharge would be imposed with a fee for the filing or commencement of certain court proceedings relating to the following violations: (a) failure to carry proof of vehicle insurance; (b) lack of possession of a special identification card for the physically disabled; and (c) safety belt use.

The administration estimates that repealing the exceptions for the JIS surcharge would generate additional revenues totaling $1,499,000 annually, of which $418,300 would be received by the Court System for the administration of CCAP and the remaining $1,080,700 would be received by DOA's JIS surcharge appropriation. Estimated revenue generated from the repeal of the JIS surcharge exceptions is broken down as follows: (a) $830,600 from actions stemming from safety belt use violations; and (b) $668,400 from actions stemming from proof of motor vehicle insurance violations. [It is estimated that no additional revenue would be generated from repealing the exception associated with violations relating to possession of special identification cards for the physically disabled.]

Joint Finance: Delete provision.

11. STATE JUSTICE ASSISTANCE GRANTS [LFB Paper 416]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $642,000	$0	- $642,000
PR	- 1,334,000	1,334,000	0
Total	- $1,976,000	$1,334,000	- $642,000

Governor: Provide $1,750,000 PR annually and create a state justice assistance grant program that would replace existing grant programs. In administering the state justice assistance grant program (SJAG), DOJ must provide justice assistance grants to state agencies, local units of government, and private organizations to support the following: (a) the investigation, prosecution, or prevention of crime; (b) the enhancement of public safety; (c) the facilitation of multijurisdictional or interagency information sharing; (d) the support of crime victims; and (e) the reduction of recidivism or crime.

Create an annual PR appropriation that would receive funding for state justice assistance grants. Annual funding for state justice assistance grants would be comprised of $1,224,900 from the justice information system (JIS) surcharge and $525,100 from the penalty surcharge. Provide that, at the end of each fiscal year, 70% of the unencumbered funds in the appropriation would revert to the JIS surcharge fund and 30% of the unencumbered funds would revert to the penalty surcharge fund. The $21.50 justice information system surcharge is assessed with a court fee for the commencement or filing of certain court proceedings. The penalty surcharge is assessed when a court imposes a fine or forfeiture for most violations of state law or municipal or county ordinance, totaling 26% of the total fine or forfeiture.

Direct DOJ to develop and periodically update a strategic plan for state justice assistance grants in consultation with local law enforcement, district attorneys, the Secretary of the Department of Corrections, the Director of State Courts, and the State Public Defender. In providing state justice assistance grants, direct DOJ to give preference to programs that have at least one of the following characteristics: (a) the program has a primarily statewide or regional impact on the investigation, prosecution, or prevention of crime and is consistent with the Department's strategic plan; (b) the program has a primarily local impact on the investigation, prosecution, or prevention of crime and can be measured for effectiveness and is consistent with the Department's strategic plan; (c) the program supports the investigation, prosecution, or prevention of crimes against children, domestic violence, or sexual assault; (d) the program is designed to facilitate multijurisdictional or interagency information sharing that will assist in the investigation, prosecution, or prevention of crime; and (e) the program is designed to reduce recidivism or otherwise reduce crime and can be measured for effectiveness.

Direct DOJ to develop criteria and procedures to use in selecting recipients of grants and in administering the program. These criteria and procedures do not need to be promulgated as rules. Further, require recipients of state justice assistant grants to comply with state audits and

any other criteria specified by DOJ.

Direct DOJ to include information regarding the Department's administration of SJAG in its annual report to the Legislature on certain justice-related grant programs. Under current law, the report must be submitted annually by January 15th, and the report must include the following information: (a) the amount of each grant awarded by DOJ for the prior fiscal year; (b) the grantee to whom each grant was awarded; (c) the agency's methodology for awarding grants and determining the level of grant funding to each grant recipient; (d) performance measures created by DOJ; and (e) reported results from each grant recipient in each fiscal year as to the attainment of the Department's performance measures. Under current law, DOJ must include in its annual report information on the treatment alternatives and diversion (TAD) program, the drug court grant program, the child advocacy center grant program, the law enforcement officer grant program, and the youth diversion grant program. Under the bill, DOJ's annual report would have to include information regarding the TAD program, the drug court grant program, and SJAG.

Modify the statutory language of the law enforcement programs administration annual PR appropriation such that funding in the appropriation supports the administration of grants for law enforcement assistance as well as SJAG. Delete references to youth diversion. Under current law, the appropriation is utilized to support the administration of grants for law enforcement assistance as well as youth diversion grants. Funding for the appropriation is derived from the penalty surcharge. Base resources for the appropriation are $162,900 PR and 1.4 positions.

Eliminate the following grant programs and associated funding:

Youth Diversion Grant Program. The youth diversion grant program requires DOJ to enter into contracts with organizations for the diversion of youths from gang activities into productive activities, including placement in educational, recreational, and employment programs. Current law directs DOJ to enter into the following contracts: (a) $500,000 to an organization that provides services in a county having a population of 500,000 or more; (b) $150,000 to an organization that provides services to Racine County; (c) $150,000 to an organization that provides services to Kenosha County; (d) $150,000 to an organization located in Ward 2 of the City of Racine to provide services to Racine County; (e) $150,000 to an organization that provides services to Brown County; and (f) $100,000 to an unspecified organization (which DOJ has awarded to an organization in Racine County). Base funding for youth diversion contracts is $321,000 GPR and $672,400 PR. Program revenue for youth diversion contracts is generated from the penalty surcharge.

In addition to youth diversion contracts, the statutes specify that DOJ may not distribute more than $300,000 annually to the organization it has contracted with that provides services to a county with a population of 500,000 or more for alcohol and other drug abuse education and treatment services for the participants in that organization's youth diversion program. Base funding for this contact is $281,600 PR. Program revenue for this grant is generated from a federal substance abuse and mental health services administration (SAMSHA) grant that is transferred to DOJ from the Department of Health Services.

Law Enforcement Officer Grant Program. The law enforcement officer grant program provides grants to cities to employ additional uniformed law enforcement officers whose primary

duty is beat patrolling. To be eligible for a grant, a city must have a population of at least 25,000. The Department must make grant awards to the 10 eligible cities submitting applications that have the highest rates of violent crime index offenses in the most recent full calendar year for which data is available in the FBI's uniform crime reporting system. The Department may not make an annual grant in excess of $150,000 to any one city. Base funding for law enforcement officer grants is $1,224,900 PR. Program revenue funding for this grant is generated from the JIS surcharge.

Child Advocacy Center Grant Program. The child advocacy center grant program requires DOJ to provide 14 annual grants of $17,000 each to child advocacy centers in the 14 counties listed in following table. The statutes identify the grant recipients in 11 counties, while in Brown, Racine, and Walworth Counties the statutes do not specify the child advocacy center that must receive the annual grant.

County	Child Advocacy Center
Brown	Unspecified child advocacy center
Chippewa	Chippewa County Child Advocacy Center
Dane	Safe Harbor
Green	CHAT Room
Kenosha	Kenosha Child Advocacy Center
La Crosse	Stepping Stones
Marathon	Child Advocacy Center of Northeastern WI
Milwaukee	Child Protection Center
Racine	Unspecified child advocacy center
Rock	Care House
Walworth	Unspecified child advocacy center
Waukesha	CARE Center
Winnebago	Fox Valley Child Advocacy Center
Wood	Marshfield Child Advocacy Center

Child advocacy centers are intended to provide comprehensive services for child victims and their families by coordinating services from law enforcement and criminal justice agencies, child protective services, victim advocacy agencies, and health care providers. Grants awarded under the program typically fund multi-disciplinary teams of law enforcement, nurses, and victim advocates to record victim interviews and collect evidence in child sexual assault and child abuse cases. Base funding for the child advocacy center grant program is $238,100 PR. Program revenue for this grant program is generated from the JIS surcharge.

The following table summarizes the SJAG proposal on an annual basis:

	GPR	PR	PR Funding Source
State Justice Assistance Grant Program			
Local Grants		$1,750,000	Justice information surcharge ($1,224,900); penalty surcharge ($525,100)
Total		$1,750,000	
Eliminated Grant Programs			
Youth Diversion*	-$321,000	-$954,000	Penalty surcharge (-$672,400); interagency and intra-agency assistance (-$281,600)
Law enforcement officer		-1,224,900	Justice information surcharge
Child advocacy center		-238,100	Justice information surcharge
Total	-$321,000	-$2,417,000	
Annual Total	-$321,000	-$667,000	Justice information surcharge (-$238,100); penalty surcharge (-$147,300); interagency and intra-agency assistance (-$281,600)

*Interagency and intra-agency assistance funding for youth diversion is derived from a federal SAMSHA grant that is transferred to DOJ from the Wisconsin Department of Health Services.

Joint Finance: Delete the state justice assistance grant program and related provisions. Delete $1,750,000 PR annually that is appropriated for the program and eliminate the state justice assistance grant program appropriation.

Instead, retain the youth diversion grant program, the law enforcement officer grant program, and the child advocacy center grant program. Restore base PR funding for each of the three current law grant programs, but delete GPR funding for the youth diversion grant program totaling $321,000 GPR annually. As a result, annual funding for the three current law grant programs during the 2015-17 biennium would be $954,000 PR for youth diversion grants, $1,224,900 PR for law enforcement officer grants, and $238,100 PR for child advocacy center grants ($2,417,000 PR annually in total).

Modify current law to eliminate the youth diversion grant provided to an organization that is located in Ward 2 in the City of Racine.

Associated with the GPR reduction in funding for the youth diversion grant program, reduce funding provided to youth diversion grant recipients, as identified in the table below. As a result, youth diversion grant awards, except amounts awarded to the Milwaukee Community Relations-Social Development Commission for its AODA initiative, would be reduced by 22.6% during the 2015-17 biennium as compared to the amount awarded during the 2013-15 biennium. As footnote to the table indicates, youth diversion grant funding awarded to the Milwaukee Community Relations-Social Development Commission for its AODA initiative is supported by a federal Substance Abuse and Mental Health Services Administration (SAMSHA) grant that is transferred from the Department of Health Services to the Department of Justice. Therefore, an across-the-board funding reduction for youth diversion grants would not be applied to this grant award.

County	Organization	2013-15 Annual Grant Awards	2015-17 Annual Grant Award Under Joint Finance
Brown	Brown County Boys and Girls Club	$124,350	$96,200
Kenosha	City of Kenosha	124,350	96,200
Milwaukee	Milwaukee Community Relations-Social Development Commission	414,100	320,400
Milwaukee *	Milwaukee Community Relations-Social Development Commission - AODA initiative	281,600	281,600
Racine (Ward 2 in the City of Racine) **	George Bray Neighborhood Center	124,350	0
Racine***	City of Racine	81,900	63,400
Racine	City of Racine (Racine Family YMCA)	124,350	96,200
	Total	$1,275,000	$954,000

*Under current law, funding for this grant is supported by a federal SAMSHA grant that is transferred from the Department of Health Services to the Department of Justice. Therefore, an across-the-board reduction to youth diversion grants would not be applied to this grant award.

**Under the bill, the youth diversion grant for an organization located in Ward 2 in the City of Racine would be eliminated.

***Current law does not specify the county that must receive this youth diversion grant. The Department, however, has awarded this grant to Racine County in the past.

12. SOLICITOR GENERAL'S OFFICE [LFB Paper 419]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$1,027,700	4.00	$0	0.00	$1,027,700	4.00
FED	0	0.00	0	- 4.00	0	- 4.00
Total	$1,027,700	4.00	$0	- 4.00	$1,027,700	0.00

Governor: Provide $443,200 in 2015-16 and $584,500 in 2016-17, and 4.0 unclassified positions, to create a solicitor general and three deputy solicitors general. Funding would be provided as follows: (a) $302,500 in 2015-16 and $403,300 in 2016-17 for permanent position salaries; (b) $121,500 in 2015-16 and $162,000 in 2016-17 for fringe benefits; and (c) $19,200 annually for supplies and services. Program revenue for the Solicitor General's Office would be generated from funds received from other DOJ appropriations for expenses related to the Office. The administration indicates that the creation of a Solicitor General's office would, "allow the Department to provide a more in-depth level of representation for the state at both the state and federal appellate levels for increasingly complicated legal issues."

Provide the Attorney General authority to appoint, in the unclassified service, a solicitor general and no more than three deputy solicitors general, each of whom must be an attorney at law licensed in Wisconsin. Further, provide the Attorney General authority to assign assistant attorneys general to assist the solicitor general.

Finally, create a continuing, program revenue solicitor general appropriation to support the Solicitor General's Office. Program revenue for the appropriation would be generated from funds transferred from other DOJ appropriations for expenses related to the Solicitor General's Office.

Joint Finance: Delete the solicitor general appropriation. Further, delete funding and position authority totaling $443,200 PR in 2015-16, $584,500 PR in 2016-17, and 4.0 unclassified PR positions annually.

Instead, authorize the legal services investigation and prosecution continuing PR appropriation to support the Solicitor General's office. Further, increase the position and expenditure authority of the investigation and prosecution appropriation by $443,200 PR in 2015-16, $584,500 PR in 2016-17, and 4.0 unclassified PR positions. Under current law, the appropriation is authorized to support DOJ's expenses related to the investigation and prosecution of violations, including attorney fees. Program revenue for the appropriation is generated when DOJ recovers expenses from its investigation and prosecution of violations relating to: (a) the Medical Assistance program; (b) marketing and trade practices; (c) trusts and monopolies; and (d) various environmental violations enforced by the Department of Natural Resources. There is no base funding or position authority associated with this appropriation.

Direct the Attorney General to eliminate 4.0 position vacancies. For purposes of this summary, it is assumed that the Attorney General would eliminate 4.0 FED positions. However, the Department could eliminate 4.0 positions from a combination of other funding sources.

13. TRANSFER STATE PROSECUTORS OFFICE TO JUSTICE [LFB Paper 263]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$363,400	1.00	- $363,400	- 1.00	$0	0.00

Governor: Provide $181,700 and 1.0 position annually and transfer the State Prosecutors Office from the Department of Administration (DOA) to DOJ. Funding would be provided as follows: (a) $88,300 annually for permanent position salaries; (b) $33,700 annually for fringe benefits; and (c) $59,700 annually for supplies and services. Further, as determined by the Secretary of DOA, transfer the assets and liabilities, position, incumbent employee (along with the incumbent employee's current civil service status and benefits), tangible personal property, contracts, pending matters, and promulgated rules primarily related to the State Prosecutors Office from DOA to DOJ. Finally, require DOJ, rather than DOA, to prepare the District Attorney's (DA) biennial agency budget request.

In order to administer the state's responsibility as the employer of district attorneys (DA), deputy DAs, and assistant DAs, 1989 Act 31 created the State Prosecutors Office in DOA. The State Prosecutors Office is responsible for coordinating administrative duties relating to the district attorney offices. Major responsibilities of the Office include: (a) payroll; (b) fringe benefits; (c) budgets; (d) billing counties for grant-funded positions; (e) collective bargaining

(restricted to salary increases only); (f) advising elected DAs on their rights and responsibilities under the state compensation plan, Office of State Employment Relations administrative code, and the statutes; (g) producing fiscal notes and bill analyses for legislative proposals affecting the DAs; and (h) serving as a central point of contact for all prosecutors. [See "Administration -- Transfers" and "District Attorneys."]

Joint Finance: Delete provision.

14. TRANSFER OF FUNDS TO DISTRICT ATTORNEYS FOR DNA EVIDENCE PROSECUTOR

Governor/Joint Finance: Modify current law to specify that funds appropriated for the District Attorney's deoxyribonucleic acid (DNA) evidence prosecutor are transferred directly from DOJ's crime laboratories and DNA analysis PR appropriation. Further, modify current law such that, at the end of each fiscal year, unencumbered funds appropriated for the DA's DNA evidence prosecutor are transferred back to DOJ's crime laboratories and DNA analysis appropriation.

Under current law, funding for the DA's DNA evidence prosecutor is transferred from DOJ's drug law enforcement and crime laboratories PR appropriation. Funding for DOJ's drug law enforcement and crime laboratories appropriation is first transferred from DOJ's crime laboratories and DNA analysis appropriation.

The DA's DNA evidence prosecutor supports criminal justice agencies statewide by: (a) prosecuting criminal cases where DNA evidence plays a critical role; (b) conducting training sessions statewide related to the use of DNA evidence; and (c) providing expert advice on DNA evidence to criminal justice agencies across the state. Base funding for the prosecutor is $149,100.

15. CRIME VICTIM COMPENSATION HEARINGS AND SEXUAL ASSAULT FORENSIC EXAM HEARINGS [LFB Paper 420]

Governor: Modify current law regarding the Department of Administration's (DOA) Division of Hearings and Appeals' role in contested case hearings relating to crime victim compensation and awards under the sexual assault forensic exam (SAFE) program, as identified below.

Under current law, the Division of Hearings and Appeals (DHA) must appoint a hearing examiner in the event of a contested case relating to crime victim compensation awards and awards made under the SAFE program. Subject to the rules of the agency, a hearing examiner may: (a) administer oaths and affirmations; (b) issue and enforce subpoenas authorized by law; (c) rule on offers of proof and receive relevant evidence; (d) take depositions and have depositions taken; (e) regulate the course of the hearing; (f) hold conferences for the settlement or simplification of the issues by consent of the parties; (g) dispose of procedural requests or similar matters; (h) make or recommend findings of fact, conclusions of law, and decisions to the extent permitted by law; and (i) take other action authorized by agency rule consistent with the

statutory provisions regarding administrative procedure and review. If DHA is not required to assign a hearing examiner to preside over a contested case, an agency may designate an official of the agency or a staff member from another agency to act as a hearing examiner.

Crime Victim Compensation Program. Repeal the requirement that DOA's Division of Hearings and Appeals appoint a hearing examiner for contested cases relating to crime victim compensation. Under the bill, DOJ would retain the option to enter into a contract with DHA, under which DHA would assign a hearing examiner to preside over a contested case relating to crime victim compensation. These provisions would apply to hearings commenced after the effective date of the bill.

The Department's Office of Crime Victim Services administers the state's crime victim compensation program. Under the program, DOJ makes awards to victims of crimes, as well as dependents of deceased victims, to provide compensation for costs related to: (a) medical treatment; (b) lost wages; (c) crime scene clean-up; (d) replacement of property held for evidentiary purposes; (e) funeral and burial expenses; and (f) if the victim is a homemaker, securing homemaker services. In addition, DOJ may provide compensation to family members of victims, or individuals who live in the same household as the victim, who incur economic losses as a result of their reaction to the victim's death.

Under current law, potential awardees of crime victim compensation may file a petition with DOJ to contest the Department's decision relating to the award. Currently, the Department must grant a contested case hearing if: (a) a substantial interest of the petitioner is injured in fact or threatened with injury by agency action or inaction; (b) there is no evidence of legislative intent that the substantial interest of the petitioner is not to be protected; (c) the injury to the petitioner requesting the hearing is different in kind or degree from injury to the general public caused by the Department's action or inaction; and (d) there is a dispute of material fact. [If the Department decides not to grant a case hearing, the petitioner may file with a court for judicial review of DOJ's decision not to grant the hearing.] In the event of a contested case hearing relating to crime victim compensation, DHA must appoint a hearing examiner to conduct the hearing, make findings, and issues orders. Any party who is adversely affected by the decision of the hearing examiner may appeal the decision with the Attorney General.

The Department indicates that in calendar year 2014, DOJ referred 25 cases to DHA for crime victim compensation disputes. The 25 referrals led to 14 contested case hearings. Generally, a referral to DHA may not lead to a contested case hearing if: (a) the matter is settled during a prehearing conference; (b) the petitioner affirmatively withdraws their hearing request; or (c) the petitioner fails to appear in person or by attorney at a prehearing conference and, as a result, the petition is dismissed.

Sexual Assault Forensic Exams Program. Repeal the requirement that DHA appoint a hearing examiner for contested cases relating to payments made under the sexual assault forensic examination (SAFE) program. Under the bill, DOJ would retain the option to enter into a contract with DHA, under which DHA would assign a hearing examiner to preside over a contested case relating to payments under the SAFE program. These provisions would apply to hearings commenced after the effective date of the bill.

The Office of Crime Victim Services administers the SAFE program, which reimburses medical providers for the costs of examining victims of sex offenses in order to gather evidence. Examination costs reimbursable under the SAFE program include: (a) an examination that is done to gather evidence regarding a sex offense; (b) any procedure performed during the examination process that tests for or prevents a sexually transmitted disease; and (c) any medication provided or prescribed during the examination process that prevents or treats a sexually transmitted disease that the person performing the examination believes could be a consequence of the sex offense. The SAFE program does not reimburse administrative costs, attorney fees, or other expenses.

Under current law, if the medical provider contests DOJ's award under the SAFE program, or lack thereof, the medical provider may file a petition for a contested case. Similar to contested cases related to crime victim compensation, the Department must grant a contested case regarding an award under the SAFE program if the requirements under the statutes are met. [If the Department does not grant the contested case, the petitioner may file with a court for judicial review of the Department's decision.] In the event of a contested case hearing relating to awards under the SAFE program, DHA must appoint a hearing examiner to conduct the hearing, make findings, and issues orders.

The Department indicates that in calendar year 2014, there were no cases related to SAFE awards referred to DHA. According to the Department, generally, the only instance in which a claim under the SAFE program would be denied is if one of the two following statutory provisions is violated: (a) the claim for reimbursement under the SAFE program is filed within one year after the date of the examination; and (b) the crime that causes the need for an examination occurs in Wisconsin. If one of the two statutory provisions is violated, DOJ will contact the medical provider and explain why SAFE funds cannot be utilized to reimburse the medical provider for the costs of the examination. (See "Administration -- Division of Hearing and Appeals".)

Joint Finance: Delete provision.

16. INTERAGENCY AND INTRA-AGENCY ASSISTANCE [LFB Paper 421]

Governor/Joint Finance: Convert the legal services interagency and intra-agency assistance appropriation from an annual program revenue appropriation to a continuing PR appropriation. Continuing appropriations allow state agencies to expend all monies received without requiring legislative approval of appropriation levels. Revenue for the appropriation is generated when DOJ charges a state agency for legal services rendered on that agency's behalf. The appropriation also receives funding from a federal grant provided to the Department of Transportation (DOT) for a traffic safety resource prosecutor. [Since the grant is transferred to DOJ from DOT, DOJ receives the funding as program revenue.] Base funding for this appropriation is $1,239,100.

17. DELINQUENT OBLIGATION COLLECTION [LFB Paper 421]

Governor: Covert the legal services delinquent obligation collection PR appropriation from an annual appropriation to a continuing, all monies received, appropriation. Base funding for the current appropriation is $7,000.

Under current law, DOJ must: (a) monitor cases filed in bankruptcy courts in Wisconsin and other states; (b) notify state agencies that may be affected by those bankruptcy cases; and (c) represent the interests of the state in bankruptcy cases and related adversary proceedings. All obligations collected by DOJ while performing its delinquent obligation collection duties are paid to the Department of Administration, and then deposited in the appropriate fund. The Department of Administration must credit an amount equal to the reasonable and necessary expenses incurred by DOJ in performing its duties related to delinquent obligation collection to DOJ's delinquent obligation collection appropriation.

Joint Finance: Delete provision.

18. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Department lapse $2,040,300 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

19. LAW ENFORCEMENT OFFICER INVOLVED DEATH INVESTIGATIONS [LFB Paper 422]

	Funding	Positions
PR	$635,100	4.00

Joint Finance: Provide $305,300 in 2015-16, $329,800 in 2016-17, and 4.0 positions annually to support workload related to officer-involved death investigations and investigations into non-fatal officer-involved incidents. The 4.0 positions would be 3.0 special agents and 1.0 program and policy analyst. Funding and position authority would be provided to the law enforcement services drug law enforcement, crime laboratories, and genetic evidence activities PR appropriation. Program revenue for the appropriation is generated from the crime laboratory and drug law enforcement surcharge and the DNA surcharge. The $13 crime laboratory and drug law enforcement surcharge is assessed if a court imposes a sentence, places a person on probation, or imposes a forfeiture for most violations of state law or municipal or county ordinance. The DNA surcharge is imposed whenever a court imposes a sentence or places a person on probation, totaling $250 for each felony conviction and $200 for each misdemeanor conviction.

Modify statutory language to authorize the appropriation to support criminal investigative operations. Under current law, the appropriation is authorized to support activities relating to drug law enforcement, drug law violation prosecution assistance, and activities of the state's crime laboratories.

20. INVESTIGATIVE REPORTS RELEASED TO THE PUBLIC RELATED TO OFFICER-INVOLVED DEATHS

Joint Finance: Specify that before releasing the investigative report of an officer-involved death to the public, the investigators who conducted the investigation must delete any information from the report that is released to the public that would not be subject to disclosure pursuant to the balancing test under the state's open records laws.

Under current law, the state's open records laws generally provide that an individual has a right to inspect any public record, unless the legal custodian or the appropriate authority makes a specific demonstration that there is a need to restrict public access at the time that the request to inspect or copy is made (this is commonly known as the balancing test). In addition, current law provides that investigations into officer-involved deaths are required to be performed by at least two investigators, one of whom is the lead investigator and neither of whom is employed by a law enforcement agency that employs a law enforcement officer involved in the officer-involved death. After completing their investigation, the investigators must, in an expeditious manner, provide a complete report to the district attorney of the county in which the officer-involved death occurred. If the district attorney determines there is no basis to prosecute the law enforcement officer, the independent investigators must release their report to the public. Currently, state statute does not specify that information included in the report released to the public is subject to the balancing test under Wisconsin's open records laws.

21. MARQUETTE UNIVERSITY POLICE OFFICERS

Joint Finance: Expand the definition of a law enforcement officer to include officers employed by the Marquette University Police Department. Under current law, a law enforcement officer is any individual employed by the state or any political subdivision of the state for the purposes of detecting and preventing crime and enforcing laws or ordinances, and who is authorized to make arrests for violations of the laws or ordinances that the person is employed to enforce. Since the Marquette University Police Department officers are not employed by the state or any political subdivision of the state, they are not included under the definition of a law enforcement officer under current law.

22. LAFAYETTE COUNTY SHERIFF'S DEPARTMENT

PR	$100,000

Joint Finance: Provide the Department of Justice $50,000 annually in the 2015-17 biennium on a non-continuing basis to award a grant to Lafayette County Sheriff's Department for drug law enforcement and drug interdiction. Funding would be provided to the law enforcement services drug law enforcement, crime laboratories, and genetic evidence activities PR appropriation. Program revenue for this appropriation is generated from the crime laboratory and drug law enforcement surcharge and the DNA surcharge. The $13 crime laboratory and drug law enforcement surcharge is assessed if a court imposes a sentence, places a person on probation, or imposes a forfeiture for most violations of state law or municipal or county ordinance. The DNA surcharge is imposed whenever a court imposes a sentence or places a person on probation, totaling $250 for each felony conviction and $200 for each misdemeanor

conviction.

23. SEXUAL ASSAULT VICTIM SERVICES GRANT PROGRAM

GPR	$100,000

Joint Finance: Provide $100,000 in 2016-17 for grants under the sexual assault victim services grant program. Under this program, DOJ awards grants to nonprofit corporations or public agencies that provide (or subcontract to provide) all of the following services for sexual assault victims: (a) advocacy and counseling services; (b) 24-hour crisis telephone services; (c) educational programs on professional intervention and community prevention; and (d) services for persons living in rural areas, men, children, elderly, or physically disabled persons, minority groups, or other groups of victims that have special needs within the service area of the nonprofit corporation or public agency. Base funding for the grant programs is $2,033,700 GPR annually. Funding for the grant program is also supported by program revenue generated from the child pornography surcharge. The child pornography surcharge is imposed on a person 18 years of age or older who is sentenced or placed on probation for sexual exploitation of a child or possession of child pornography. The surcharge totals $500 for each original or copy of a pornographic image associated with the crime.

24. WISCONSIN COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION

GPR	$160,000

Joint Finance: Provide the Department of Justice $80,000 annually in 2015-17 only for the purpose of awarding grants to the Wisconsin Court Appointed Special Advocate Association (Wi CASA). Further, create a GPR appropriation within DOJ to support grants for Wi CASA. The appropriation would sunset after the 2015-17 biennium. The Wisconsin CASA Association is a nonprofit organization based in Madison, Wisconsin that supports court appointed special advocacy for abused and neglected children.

25. SPECIAL PROSECUTOR POSITIONS FOR GUN VIOLENCE

Joint Finance: Provide $220,000 annually to the Joint Committee on Finance's supplemental GPR appropriation for the purpose of transferring funding to DOJ for 2.0 assistant attorneys general. The 2.0 AAG positions would serve as special prosecutors who would prosecute cases related to gun violence and other offenses involving the use of a firearm. The release of funding from the Committee's supplemental appropriation to DOJ would be contingent upon DOJ submitting a plan to the Committee, under s. 13.10 of the statutes, which would detail how DOJ would utilize the funding and the 2.0 AAG positions for gun violence prosecution.

Generally, district attorney offices are responsible for the prosecution of criminal offenses at the trial level. In certain circumstances, a court, on its own motion or at the request of the district attorney, may appoint a private attorney as a special prosecutor. However, before a court appoints a private attorney as a special prosecutor for an appointment that would exceed six hours per case, the court or district attorney must request assistance from either the Department

of Justice or a district attorney, deputy district attorney, or assistant district attorney in another prosecutorial unit. Assistant attorneys general in DOJ's Criminal Litigation Unit handle the agency's special prosecution appointments.

26. TREATMENT ALTERNATIVES AND DIVERSION GRANT PROGRAM

Joint Finance: Specify that DOJ may not find a county ineligible for a treatment alternatives and diversion (TAD) grant on the grounds that the county would utilize the grant to support a program that would provide alternatives to prosecution and incarceration for offenders of second offense operating a vehicle while intoxicated (OWI) statutes. Further, when determining the counties to award TAD grants, prohibit DOJ from considering whether or not a TAD program that would accept second offense OWI offenders would either: (a) best promote public safety, reduce prison and jail populations, reduce prosecution and incarceration costs, reduce recidivism, or improve the welfare of participants' families by meeting the needs of participants; or (b) provide services that would be consistent with evidence-based practices in substance abuse and mental health treatment.

Under current law, DOJ, in collaboration with the Department of Corrections and the Department of Health services, has discretion in awarding TAD grants. In order to be eligible for a TAD grant, a county's program must meet several eligibility requirements including, but not limited to, the following: (a) the county's program is designed to meet the needs of a person who abuses alcohol or other drugs and who may be or has been charged with or convicted of a crime in that county related to the individual's use or abuse of alcohol or other drugs; (b) the program is designed to promote public safety, reduce prison and jail populations, reduce prosecution and incarceration costs, reduce recidivism, and improve the welfare of participants' families by meeting the comprehensive needs of participants; (c) the county's program must provide services that are consistent with evidence-based practices in substance abuse and mental health treatment. In addition, the county must comply with eligibility requirements established by DOJ to promote a. and b. (above). This provision of the bill specifies that DOJ may not find a county ineligible for a TAD grant on the grounds that the county's program would accept 2nd offense OWI offenders. Further, this provision would prohibit DOJ, when determining the counties to award TAD grants, from considering whether or not a TAD program that accepts second offense OWI offenders would either: (a) best promote public safety, reduce prison and jail populations, reduce prosecution and incarceration costs, reduce recidivism, or improve the welfare of participants' families by meeting the needs of participants; or (b) provide services that would be consistent with evidence-based practices in substance abuse and mental health treatment.

27. 24/7 SOBREITY PROGRAMS

Joint Finance: Establish a pilot project for 24 hours per day, seven days per week (24/7) sobriety programs, ending June 30, 2021. Provide that all of the statutory modifications established as a result of the pilot project would sunset on June 30, 2021.

Allow the Department the Justice to authorize up to five counties to establish a 24/7 sobriety program to monitor 2nd offense and above operating a vehicle while intoxicated (OWI)

offenders. Require DOJ to notify the Legislature of the counties that could establish a 24/7 sobriety program, as well as the reasons why those counties were chosen, by January 30, 2016. If, during the time period of the pilot project, a county that has been authorized by DOJ to establish a 24/7 sobriety program decides that it no longer wishes to operate its program, provide that the county could discontinue its program and DOJ could select a new county to establish a 24/7 sobriety program. If a county discontinues its 24/7 sobriety program, require DOJ to notify the Legislature of the following: (a) the county's decision to discontinue its 24/7 sobriety program; and (b) if the Department has authorized another county to establish a 24/7 sobriety program, the county that DOJ has authorized to establish a program.

Provide that a 24/7 sobriety program would accept the following participants: (a) 2nd offense or above OWI offenders who are ordered by a court or by the Department of Corrections, as a condition of probation or deferred prosecution, release to extended supervision, or release to parole, to participate in a 24/7 sobriety program and refrain from using alcohol or a controlled substance; and (b) 2nd offense or above OWI offenders who voluntarily agree to participate in a 24/7 sobriety program and refrain from using alcohol or a controlled substance while he or she is on probation, extended supervision, parole, or participating in a deferred prosecution agreement.

Provide that 24/7 sobriety program participants would be required to submit to frequent testing for the use of alcohol or a controlled substance. Provide that, under statute, frequent testing for the use of alcohol would be defined as twice daily testing, approximately 12 hours apart, and frequent testing for the use of a controlled substance would be as often as practicable. Authorize DOJ to promulgate rules that would establish an alternative standard which would constitute frequent testing for the use of alcohol or a controlled substance for the purposes of a 24/7 sobriety program. Provide that, if the standard for frequent testing for the use of alcohol or a controlled substance established under statute would create a situation of unreasonable hardship for the county administering the 24/7 sobriety program, the county may utilize the alternative standard for frequent testing established by DOJ by rule.

Provide that if a 24/7 sobriety program participant fails a scheduled drug or alcohol test due to either a failure to appear for a scheduled test or test results indicating that the participant used alcohol or a controlled substance, the participant may be placed under immediate arrest and referred to the Department of Corrections or the appropriate prosecuting agency for violating a condition of his or her probation, deferred prosecution, or release to parole or extended supervision.

Provide that the 24/7 sobriety program would require participants to pay a fee that is established by the county, which the county determines would be sufficient to defray the operating costs of the program. Provide that the county would be authorized to waive or reduce the fee, subject the participant's ability to pay. Authorize DOJ to promulgate rules that would establish a fee setting standard for counties with 24/7 sobriety programs. Provide that the fee imposed on program participants by counties with a 24/7 sobriety program must be in keeping with the fee setting standard establish by DOJ, if such a standard has been promulgated by DOJ by rule. Provide that the fee setting standard established by DOJ may include a component that would allow the Department to recoup DOJ's costs of analyzing county data and preparing reports for the Legislature on the 24/7 sobriety programs.

Require counties that establish a 24/7 sobriety program to supply DOJ with information regarding the county's program, including: (a) the number of participants in the program; (b) the costs associated with the program; (c) the failure or dropout rate among participants; and (d) other information requested by DOJ. Authorize DOJ to promulgate rules that would establish the time and manner in which counties with 24/7 sobriety programs must report the information to DOJ.

Require DOJ to analyze the information provided by counties with a 24/7 sobriety program and, beginning January 15, 2017, annually report to the Legislature on its analysis. Require that the report include, at a minimum, the following information for the previous calendar year: (a) the counties that DOJ has authorized to establish a 24/7 sobriety program; (b) the number of participants in each county's 24/7 sobriety program; (c) a description of each county's 24/7 sobriety program; and (d) the recidivism rate of participants of each county's 24/7 sobriety program. In addition, require the Department to include in its final report a recommendation as to whether 24/7 sobriety programs should be continued, discontinued, or modified. [As indicated above, the 24/7 sobriety program pilot project would sunset on June 30, 2021. As a result, the last annual report submitted by DOJ on 24/7 sobriety programs would be submitted by January 15, 2021.]

Authorize DOJ to enter into an agreement with each county that establishes a 24/7 sobriety program, under which the Department may request that the county provides DOJ a portion of the fee revenue generated from the program to support DOJ's actual costs of performing analysis and preparing annual reports on 24/7 sobriety programs.

Create a new PR annual appropriation to support DOJ's costs of analyzing data and preparing annual reports on 24/7 sobriety programs. Program revenue for the appropriation would be generated from monies received from agreements between DOJ and counties with 24/7 sobriety programs. Further, appropriate $0 annually to the appropriation during the 2015-17 biennium. As a result, DOJ would initially have to utilize base resources to support its reporting requirements related 24/7 sobriety programs. If the Department determines it would require additional resources to support its reporting requirements, DOJ could request that the Committee increase the Department's position or expenditure authority through a 14-day passive review process under s. 16.505/515 of the statutes.

Authorize DOJ to promulgate emergency rules without a finding of an emergency in all instances in which DOJ is granted general rule making authority relating to the 24/7 sobriety program. [As indicated above, DOJ would be authorized to promulgate rules regarding: (a) the frequency with which 24/7 sobriety program participants must be tested for the use of alcohol or controlled substances; (b) the fee imposed on 24/7 sobriety program participants by the counties; and (c) the time and manner in which counties with a 24/7 sobriety program must report information to DOJ.] Under current law, unless otherwise specified, an agency may promulgate a rule as an emergency rule without complying with the notice, hearing, and publication requirements of the general rule promulgating procedures if the agency establishes a finding of an emergency. A finding of an emergency may be found if the preservation of the public peace, health, safety or welfare necessitates putting the rule into effect prior to the time it would take effect if the agency complied with the general rule promulgating procedures.

28. WISCONSIN INTEROPERABILITY SYSTEM FOR COMMUNICATIONS REPORT

Joint Finance: Require the Interoperability Council to submit a report to the Joint Committee on Finance on the Wisconsin Interoperability System for Communications (WISCOM) by June 30, 2016. Provide that the required report must include the following:

- From inception of the program through 2015-16, the amount the state has expended to develop, construct, and operate WISCOM. In addition, the amounts that have been spent during this time period from GPR, PR, FED, and SEG sources and the revenue sources utilized to support the PR, FED, and SEG expenditures.

- The annual operating budget for WISCOM during 2015-16, specifically identifying costs relating to staff, infrastructure expansion, infrastructure maintenance, supplies and services, and other costs related to WISCOM.

- The local, state, and federal agencies that utilize WISCOM, as well as the frequency with which the agencies use the system. Further, a description of how each of these agencies utilizes WISCOM to support its agency's operations.

- An identification of the local, state, and federal agencies that utilize an alternative communications system for its emergency responders. Further, for each agency that utilizes an alternative communications system, an explanation as to why the agency utilizes an alternative communications system and a description of the benefits the alternative communications system provides to the agency.

- An identification of each local, state, and federal agency that is a daily user of the system. A daily user of the system would be defined as any local, state, or federal agency that utilizes WISCOM for its emergency response communications and that foregoes the use of a separate communications system for its emergency responders.

- An identification of each local, state, and federal agency that is not a daily user of WISCOM but may become a daily user in the future, as well as the date it is anticipated that these agencies will become daily users of WISCOM.

- An explanation of the current status of WISCOM's infrastructure and an indication of whether, and how, WISCOM's infrastructure may be expanded in the future.

- A statement of whether other Midwestern states have developed statewide interoperable systems for communications and whether WISCOM has been developed in a manner similar to those systems found in other states. If WISCOM has not been developed in a similar manner to statewide interoperable systems for communications in other states, an explanation as to why WISCOM has been developed in a different manner.

- A statement of the successes WISCOM has had in providing effective communications among local, state, and federal public agencies.

- A statement of any challenges the system has faced in providing effective

communications among local, state, and federal public agencies and how the challenges could be addressed.

- An explanation of the extent to which is WISCOM compatible with other emergency response communication networks utilized by local agencies and an indication of whether WISCOM's Very High Frequency (VHF) channels or sites have interfered with channels or sites utilized by local emergency responders. For each incident of interference, an indication as to why the incident occurred and what has or will be done to address the problem of interference.

- A statement of the number of sites, channels, and users WISCOM currently supports, the maximum number of sites, channels, and users the system could support, and whether there is a way to increase the maximum number of sites, channels, and users the system could support.

The Wisconsin Interoperability System for Communications is a shared radio system designed to allow local, state, and federal emergency responders across Wisconsin to communicate with each other during a disaster or large-scale incident.

The Interoperability Council oversees and makes recommendations regarding the state's interoperability. The Council consists of the following members: (a) 10 members appointed by the Governor to staggered, four-year terms, including a chief of police, a sheriff, a chief of a fire department, a director of emergency medical services, a local government elected official, a local emergency management director, a representative of a federally recognized American Indian tribe or band in Wisconsin, a hospital representative, a local health department representative, and one other person with relevant experience or expertise in interoperable communications; (b) the Wisconsin Attorney General; (c) the Wisconsin Adjutant General; (d) the Secretary of the Department of Natural Resources; (e) the Secretary of the Department of Transportation; and (f) a representative from the Department of Administration with knowledge of information technology. The identified state officials may all appoint designees to represent them on the Council. The Department of Justice is charged with the responsibility of providing staff support to the Interoperability Council as well as overseeing the development and oversight of WISCOM.

KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$0	$0	$447,000	$447,000	N.A.	$447,000	N.A.
SEG	0	0	1,390,400	1,390,400	N.A.	1,390,400	N.A.
TOTAL	$0	$0	$1,837,400	$1,837,400	N.A.	$1,837,400	N.A.

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
PR	0.00	0.00	1.25	1.25	1.25
SEG	0.00	0.00	2.75	2.75	2.75
TOTAL	0.00	0.00	4.00	4.00	4.00

Budget Change Item

1. KICKAPOO RESERVE MANAGEMENT BOARD BUDGET AND ADMINISTRATIVE ATTACHMENT [LFB Paper 625]

	Funding	Positions
PR	$447,000	1.25
SEG	1,390,400	2.75
Total	$1,837,400	4.00

Joint Finance: Specify the Kickapoo Reserve Management Board (KRMB) and Kickapoo Valley Reserve (KVR) are to be budgeted as a separate agency. Funding and positions authorized for the Reserve would be deleted from the Department of Tourism, to which KVR/KRMB is currently administratively attached, and under which KVR/KRMB is budgeted as a separate program [s. 20.380(2) of the statutes]. Instead, the following appropriations, funding and positions would be created under s. 20.385(1) of the statutes:

Kickapoo Reserve Management Board / Kickapoo Valley Reserve Appropriations

Appropriation	Fund Source	Annual Funding	Positions
Program services and operations	PR	$157,200	1.00
Law enforcement services	PR	66,300	0.25
Gifts and grants	PR	0	0.00
Federal funds	FED	0	0.00
General program operations	SEG	415,200	2.75
Aids in lieu of property taxes	SEG	280,000	0.00
Total		$918,700	4.00

In addition, specify the KVR/KRMB remains attached to Tourism under s. 15.03 of the statutes for limited administrative purposes. (The bill as introduced recommended transferring the KVR/KRMB from Tourism to the Department of Natural Resources. See "Natural Resources--Departmentwide" and "Tourism" for additional information.) However, specify personnel and biennial budget requests of the KRMB are to be processed and forwarded by Tourism without change, unless requested or concurred in by the KRMB.

The Kickapoo Valley Reserve consists of approximately 8,600 acres of land north of La Farge in Vernon County. The property was the site of a U.S. Army Corps of Engineers dam and reservoir project on the Kickapoo River that was abandoned around 1975. The Corps transferred ownership of approximately 7,400 acres to the State of Wisconsin in December, 2000. Additionally, 1,200 acres were transferred to the Bureau of Indian Affairs in trust for sites sacred to the Ho-Chunk Nation. A 1997 memorandum of understanding between the state and the Ho-Chunk Nation stipulates the entire 8,600 acres will be managed as one property.

The Reserve has been administratively attached to Tourism since 1996. Under s. 15.03 of the statutes, Tourism is responsible for providing limited administrative functions such as personnel, payroll, budget, fiscal and accounting services to the KRMB under terms of the administrative attachment. Reserve policy, rules, and operational plans, however, are independently established by the 11-member KRMB. Board members are appointed by the Governor, with Senate confirmation, from candidates recommended by nearby municipalities, school boards, or the Ho-Chunk Nation. Members are to be residents of the municipalities surrounding the Reserve or of the Kickapoo River watershed, or are to have interests in the environment, tourism, education, or the cultural resources of the Kickapoo River area.

Most administrative functions of the Kickapoo Valley Reserve are funded by the forestry account of the segregated conservation fund. Additional functions are supported by program revenues generated by: (a) educational programming offered to the public and local schools; (b) admissions and camping fees; and (c) other land usage fees, including revenues from timber harvests and leases of Reserve lands for agricultural production. Policing of Reserve property is supported primarily by tribal gaming PR and is carried out both by Reserve staff and by sworn law enforcement officers working as limited-term employees. As the Reserve is state property and exempt from property taxation, the state pays aids in lieu of taxes to local governments and school districts. These payments are funded by forestry SEG.

LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary

Fund	2014-15 Base Year Doubled*	2015-17 Governor*	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$0	$531,000	$531,000	N.A.	$531,000	N.A.
FED	0	0	4,269,000	4,269,000	N.A.	4,269,000	N.A.
SEG	0	0	1,554,200	1,554,200	N.A.	1,554,200	N.A.
TOTAL	$0	$0	$6,354,200	$6,354,200	N.A.	$6,354,200	N.A.

*Funding is included under the Department of Workforce Development.

FTE Position Summary

Fund	2014-15 Base*	2016-17 Governor*	2016-17 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2014-15 Base
GPR	0.00	0.00	1.30	1.30	1.30
FED	0.00	0.00	20.50	20.50	20.50
SEG	0.00	0.00	4.70	4.70	4.70
TOTAL	0.00	0.00	26.50	26.50	26.50

*Positions are included under the Department of Workforce Development.

Budget Change Items

1. LABOR AND INDUSTRY REVIEW COMMISSION BUDGET AND ADMINISTRATIVE ATTACHMENT

	Funding	Positions
GPR	$531,000	1.30
FED	4,269,000	20.50
SEG	1,554,200	4.70
Total	$6,354,200	26.50

Joint Finance: Transfer the administrative attachment for the Labor and Industry Review Commission (LIRC) from the Department of Workforce Development (DWD) to the Department of Administration (DOA). LIRC would be attached to DOA under s. 15.03 for limited administrative purposes.

Transfer $3,177,100 annually in LIRC appropriations to be budgeted separately under Chapter 20 of the appropriation schedule (currently LIRC is budgeted as a program under DWD). Specify that DOA submit LIRC's biennial budget request to the Governor without

modification. Under current law, DWD must submit LIRC's budget to the Governor without modification.

The transfer would include a reduction to LIRC's federal unemployment administration funding of $434,900 FED annually and, to the extent allowable under federal unemployment insurance (UI) law, provide these funds for DWD UI program integrity (fraud detection) purposes. LIRC's federal UI appropriation would remain a continuing, all monies received appropriation. DWD's federal UI administration appropriation would be increased by $434,900 annually to reflect this provision.

Labor and Industry Review Commission

Appropriation	Fund Source	Adjusted Base (2014-15)	Annual Funding (2015-2017)	Positions
General program operations	GPR	$240,300	$265,500	1.30
Federal funds (equal rights)	FED	173,400	181,200	1.50
Unemployment administration	FED	2,136,100	1,953,300	19.00
Worker's compensation operations	SEG	682,400	777,100	4.70
Total		$3,232,200	$3,177,100	26.50

Further, convert 1.0 position from classified to unclassified, and specify the Governor appoint an individual to serve at the pleasure of the Governor as general counsel for the Commission.

The Labor and Industry Review Commission consists of three Commissioners appointed for six-year terms by the Governor, with the consent of the Senate. LIRC hears administrative appeals of DWD decisions relating to unemployment insurance, workers compensation, and equal rights. LIRC would have four unclassified staff, the three Commissioners (current law) and the general counsel.

LEGISLATURE

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$149,416,800	$147,152,500	$147,139,500	- $13,000	0.0%	- $2,277,300	- 1.5%
PR	4,051,000	4,259,000	4,259,000	0	0.0	208,000	5.1
TOTAL	$153,467,800	$151,411,500	$151,398,500	- $13,000	0.0%	- $2,069,300	- 1.3%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	758.17	758.17	758.17	0.00	0.00
PR	19.80	19.80	19.80	0.00	0.00
TOTAL	777.97	777.97	777.97	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $2,427,400
PR	58,000
Total	- $2,369,400

Governor/Joint Finance: Provide adjustments to the base budget totaling -$1,221,100 GPR and $27,500 PR in 2015-16, and -$1,206,300 GPR and $30,500 PR in 2016-17. Adjustments are for: (a) turnover reduction (-$1,037,300 GPR annually); (b) full funding of continuing position salaries and fringe benefits (-$195,900 GPR and $23,900 PR annually); and (c) reclassifications and semiautomatic pay progression ($12,100 GPR and $3,600 PR in 2015-16, and $26,900 GPR and $6,600 PR in 2016-17).

2. LEGISLATIVE LAPSE REQUIREMENT

GPR-Lapse	$9,232,200

Governor/Joint Finance: Require the Co-Chairpersons of the Joint Committee on Legislative Organization to take actions during the 2015-17 fiscal biennium to ensure that from general purpose revenue appropriations to the Legislature an amount equal to $9,232,200 is lapsed from sum certain appropriation accounts or is subtracted from the expenditure estimates for any sum sufficient appropriations, or both.

Under 2011 Act 32, the Co-Chairpersons of the Joint Committee on Legislative Organization were required to take action in the 2011-13 and 2013-15 biennia to ensure that $9,232,200 from GPR appropriations be lapsed to the general fund in each biennium. The bill extends this prior biennial lapse requirement through the 2015-17 biennium.

3. AUDIT BUREAU RETIREMENT SYSTEM ACTUARIAL STUDY AND IMPLEMENTATION OF NEW PENSION DISCLOSURE REQUIREMENTS

PR	$135,000

Governor/Joint Finance: Provide $65,000 in 2015-16 to the Legislative Audit Bureau (LAB) for the procurement of an actuarial audit of the Wisconsin Retirement System (WRS). Under state statute, the LAB is required to conduct an actuarial audit of the WRS at least every five years.

Further, provide $35,000 annually to the LAB to assist the Department of Employee Trust Funds in auditing pension disclosures required to be produced under new accounting standards issued by the Governmental Accounting Standards Board (GASB) prior to distributing these statements to local employers participating in the WRS. The GASB is recognized as the official source of generally accepted accounting principles (GAAP) for state and local governments.

The Department of Employee Trust Funds would provide the LAB with the funding for these audits from the public employee trust fund.

4. DIVISION OF MUNICIPALITIES INTO ELECTION WARDS

GPR	$133,900

Governor/Joint Finance: Create the following additions to the duties of the Legislative Technology Services Bureau (LTSB): (a) require the LTSB to reconcile and compile municipal boundary information to produce a statewide database consisting of municipal boundary information for the entire state; and (b) require the LTSB to participate, on behalf of the state, in geographic boundary information programs when offered by the U.S. Bureau of the Census. Further, in order to carry out these new responsibilities, provide: (a) $91,500 in 2015-16 in one-time financing for computer hardware, software, and related licensing costs; and (b) $21,200 annually in maintenance and licensing costs.

Modify current law regarding the geographic division of cities, villages, and towns into election wards as follows:

a. Provide that no later than January 15th and July 15th of each year, county clerks would be required to transmit to LTSB a report confirming the boundaries of each municipality, election ward, and supervisory district in the county together with a map of the county, in an electronic format approved by the LTSB, current as of the nearest January 1st or July 1st preceding the date of the report. However, in each year following the year of a federal decennial census, the second report would have to be transmitted to the LTSB no later than November 1st and would have to be current as of the date of the report. The second report due to LTSB in the year following the year of a federal decennial census would have to include a list of the census

block numbers of which the county and each municipality and election ward within the county were comprised (the U.S. Bureau of the Census divides the geography of the nation into a series of blocks).

b. Provide that no later than October 15th of each year following the year of a federal decennial census, each municipal clerk would be required to file a report with the county clerk of each county in which the municipality is contained confirming the boundaries of the municipality and of all election wards in the municipality, including a map of the municipality and a list of the census block numbers of which the municipality and each election ward within the municipality are comprised.

c. Provide that, municipalities with populations in excess of 10,000 would no longer have to furnish the Legislative Reference Bureau, within five days after adoption or enactment of an ordinance or resolution, or any amendment thereto, which numbers all election wards in the municipality, sets election ward boundaries, and designates the polling place for each ward: (1) a copy of the ordinance or resolution; (2) a map of the municipality which illustrated the revised ward boundaries; and (3) a list of the census block numbers that were wholly or partly contained within each election ward (although municipalities in excess of 10,000 would continue to have to provide this information to the county clerk of each county in which the municipality is contained).

d. Provide that within five days after receiving notice of a court judgment that has the effect of changing municipal boundaries, the municipal clerk would be required to file with the county clerk of each county in which the municipality is contained a report confirming the boundaries of the municipality and of all election wards in the municipality, including a map of the municipality and a list of the census block numbers of which the municipality and each election ward within the municipality are comprised.

e. Specifically require that a municipal clerk transmit copies of an ordinance or resolution making adjustments to municipal wards after April 1st of the year of the federal decennial census due to changed township boundaries or municipal consolidation within five days after adoption of the ordinance or resolution to the county clerk.

f. Provide that any city, village or town could establish an election ward with less than the generally prescribed minimum population for an election ward if the proposed election ward contained territory that solely lied between an actual municipal boundary that existed on April 1 of the year of a federal decennial census, and an intersecting municipal boundary that deviated from the actual municipal boundary on that date if the deviating boundary was used by the U.S. Bureau of the Census to enumerate the population of the municipality in that census.

The above changes with respect to the transmittal of municipal boundary information would first apply for the 2016 calendar year.

Under current law, every city, village, and town in Wisconsin must by ordinance or resolution of its common council or village or town board be divided into election wards. The boundaries of the election wards and the number assigned to each election ward are intended to be as permanent as possible. Once established, the boundaries of each election ward generally remain unchanged until: (a) a further decennial federal census of population indicates that

changes to the election ward are required to reflect population changes; (b) boundaries are redrawn to permit creation of supervisory or aldermanic districts of substantially equal population; (c) boundaries are redrawn to enhance the participation of members of a racial or language minority group in the political process and their ability to elect representatives of their choice; or (d) other specific circumstances as addressed in statute.

5. EXTERNAL PEER REVIEW OF AUDIT BUREAU FINANCIAL AUDITS

PR	$15,000

Governor/Joint Finance: Provide $15,000 in 2015-16 to fund the cost of an external peer review of Audit Bureau financial audits. This peer review assesses the Audit Bureau's system of quality control to determine whether it conforms with government auditing standards. A peer review must be completed at least once every three years. The Audit Bureau's last peer review was completed in September, 2012.

6. ACTUARIAL STUDIES

GPR	$15,000

Governor/Joint Finance: Provide $15,000 in 2015-16 for the Joint Legislative Council contractual studies appropriation account to conduct actuarial studies approved by the Joint Survey Committee on Retirement Systems. The biennial contractual studies appropriation account has no base funding in 2014-15.

7. MEMBERSHIP IN NATIONAL ASSOCIATIONS

GPR	$14,200

Governor/Joint Finance: Provide $7,100 annually for legislative organization membership dues including the National Conference of State Legislatures and the National Conference of Commissioners on Uniform State Laws. Base funding for membership dues is $250,000 annually.

8. JUDICIAL COMPENSATION COMMISSION AND THE JOINT COMMITTEE ON EMPLOYMENT RELATIONS [LFB Paper 430]

Governor: Require a newly created Judicial Compensation Commission to biennially review the salaries of Supreme Court justices, Court of Appeals judges, and circuit court judges, and submit a written report on their recommendations for changes to these salaries to the Governor and the Joint Committee on Employment Relations (JCOER) no later than December 1st of each even-numbered year. Specify that judicial salaries established in the biennial compensation plan approved by JCOER be based on recommendations included in the Commission's report.

Joint Finance: Delete provision. [See "Supreme Court."]

9. JOINT COMMITTEE ON EMPLOYMENT RELATIONS OVERSIGHT OF ANNUAL CHANGES TO THE STATE GROUP HEALTH INSURANCE PROGRAM

Joint Finance: Provide that the Group Insurance Board (GIB), in consultation with the Division of Personnel Management in DOA, must annually, by April 1, submit any proposed changes to the state group health insurance program to the Joint Committee on Employment Relations (JCOER). Specify that GIB may not implement any changes to the state group health insurance program unless approved by JCOER. Require JCOER to hold a public hearing on the proposed changes. Provide that annually, before May 1, JCOER must approve, disapprove, or approve with modifications the proposed changes and must notify the Governor of its actions. Within 10 calendar days of this notification, the Governor must approve or reject in its entirety the proposed changes approved by JCOER. Specify that a vote of six members of JCOER may override any rejection of the Governor.

Provide that notwithstanding the process identified above, GIB must submit proposed changes to the state group health insurance program for the 2016 calendar year to JCOER. The Group Insurance Board must submit the proposed changes no later than 30 days after the effective date of the budget bill. The Group Insurance Board may not implement any changes to the state group health insurance program for the 2016 calendar year unless approved by JCOER. The Joint Committee on Employment Relations must hold a public hearing on the proposed changes. Specify that no later than 30 days after GIB submits the proposed changes to JCOER, JCOER must approve, disapprove, or approve with modifications the proposed changes and must notify the Governor of its actions. Within 10 calendar days of this notification, the Governor must approve or reject in its entirety the proposed changes approved by JCOER. Provide that a vote of six members of JCOER may override any rejection of the Governor.

The Joint Committee on Employment Relations is made up of the following eight members: (a) President of the Senate; (b) Senate Majority Leader; (c) Senate Minority Leader; (d) Senate Co-Chair of the Joint Committee on Finance; (e) Speaker of the Assembly; (f) Assembly Majority Leader; (g) Assembly Minority Leader; and (h) Assembly Co-Chair of the Joint Committee on Finance. [See "Employee Trust Funds."]

10. GROUP INSURANCE BOARD CHANGES

Joint Finance: Expand the membership of the Group Insurance Board from 11 to 15 members and provide that the following be added as members of the Board: (a) one Representative appointed by the Speaker of the Assembly; (b) one Representative appointed by the Minority Leader of the Assembly; (c) one Senator appointed by the Majority Leader of the Senate; and (d) one Senator appointed by the Minority Leader of the Senate.

Under current law, the 11-member Group Insurance Board in the Department of Employee Trust Funds oversees the administration and the establishment of policies for four major insurance plans for state employees and certain local government employees. The four plans are: (a) group health insurance for Wisconsin Retirement System (WRS) annuitants, state employees and employees of those local governments that choose to offer this benefit; (b) group income

continuation insurance for state employees and employees of those local governments that choose to offer this benefit; (c) group life insurance benefits for annuitants, state employees and employees of those local governments that choose to offer this benefit; and (d) long-term care insurance for annuitants and state employees. Five members of the Board serve ex officio as a result of the positions that they hold. These ex officio members are the Governor, the Attorney General, the Commissioner of Insurance, the Secretary of the Department of Administration, and the Director of the Office of State Employment Relations. Any of these ex officio members may appoint a designee to serve on the Board in his or her stead. The remaining six members of the Board are appointed by the Governor to two-year terms. [See "Employee Trust Funds."]

11. LEGISLATIVE RECORDS AND CORRESPONDENCE

Joint Finance: Provide that the records and correspondence of any officer of the Legislature, any legislative employee, and of any legislative service agency would not be considered public records for purposes of public records preservation by the Public Records Board.

In addition, specify that no provision of the state's public records law that conflicts with a rule or policy of the Senate or Assembly or joint rule or policy of the Legislature applies to a record that is subject to such legislative rule or policy. This latter provision would be effective July 1, 2015.

Under current law, the records and correspondence of any member of the Legislature are not considered public records for purposes of public records preservation by the Public Records Board.

12. LEGISLATIVE REFERENCE BUREAU RECORDS AND COMMUNICATIONS

Joint Finance: Provide that the Legislative Reference Bureau (LRB) must at all times observe the confidential nature of research requests received by it. Further, provide that all drafting files and other records relating to reference, drafting, and research requests received by the LRB must remain confidential at all times. Delete the requirements that, in carrying out its reference responsibilities, the LRB: (a) maintain the drafting records of legislation introduced in prior sessions of the legislature and utilize such records to provide information on questions of legislative intent; and (b) retain these drafting records in its offices at all times. Delete the requirements that the drafting section of the LRB: (a) maintain the files for all drafting requests received during a legislative session while the Legislature remains in session; and (b) after final adjournment of a legislative session turn over to the reference section of the LRB the files for all drafting requests received during a legislative session which resulted in introduced legislation. Eliminate the requirement for the LRB to administer payments associated with costs incurred for microfilming, optical imaging, or electronic formatting of legislative drafting records. This provision would be effective and initially applicable July 1, 2015.

13. NONPARTISAN LEGISLATIVE SERVICES AGENCIES' COMMUNICATIONS

Joint Finance: Provide that the confidentiality requirements imposed on nonpartisan legislative service agencies could not be construed to prohibit any staff member of a nonpartisan legislative service agency from communicating with any staff member of another nonpartisan legislative service agency for the purpose of serving the Legislature and its members or from disclosing any communication, record, or information in accord with a rule, custom, policy, or practice of the Legislature. This provision would be effective July 1, 2015.

14. LEGISLATOR DISCLOSURE PRIVILEGES

Joint Finance: Provide that a legislator has a legal privilege or right to refuse to disclose, and to prevent a current or former legislative staff member from disclosing, all of the following communications and related records if made within the course of legislative business during the legislator's term of office: (a) a communication between the legislator or a member of the legislator's personal staff, or another person acting on behalf of the legislator, and a member of the clerk staff, sergeant staff or nonpartisan staff; (b) a communication between the legislator, or a person acting on behalf of the legislator, and a member of the legislator's personal staff; (c) a communication between two or more members of the nonpartisan staff, clerk staff, or sergeant staff related to the legislative business of a legislator; (d) a communication between two or more members of the legislator's personal staff; and (e) a communication between the legislator or a member of the legislator's personal staff, or another person acting on behalf of the legislator, and any other person. In addition, specify that a legislator has a legal privilege or right to refuse to disclose, and to prevent a current or former legislative staff member from disclosing, information from which can be ascertained the identity of any person who communicates with the legislator within the course of legislative business during the legislator's term of office. For purposes of these legislator privileges, legislative business would mean all aspects of the legislative process, broadly construed, and include: (a) researching, drafting, circulating, discussing, introducing, and amending legislative proposals; (b) the development of public policy, including research, analysis, consideration, and discussion of issues relevant to public policy; (c) all aspects of legislative proceedings; (d) all matters related to the policies, practices, and procedures of the legislative branch; (e) all matters related to the work of a legislative committee; (f) investigations and oversight; (g) constituent relations; and (h) all other powers, duties, and functions assigned by law, rule, custom, policy, or practice to the Legislature, one house of the Legislature, a committee of the Legislature, or a member of the Legislature. Provide that legislative business would not include criminal conduct or political campaigning. For purposes of these legislator privileges, provide that personal staff means the employees assigned to or interning in the office of a legislator. A legislator's term of office is considered to begin on the date of certification of the legislator's election to the Legislature.

Require legislative service agencies to at all times observe the confidential nature of all communications, records, and information that may be subject to these legislator privileges. Further, provide that these legislator privileges or rights may be waived only by the express personal waiver of each legislator who may claim the privilege. Disclosure of a communication, record, or information that is legally privileged by any person to any other person, regardless of

whether that disclosure is authorized by the legislator and including an authorized disclosure by nonpartisan staff, shall not constitute a legal waiver of the privilege. A legislative staff member or former legislative staff member must assert and may not waive a legal privilege on behalf of a legislator who may claim the legal privilege. Legislative staff members includes: (a) members of the legislator's personal staff; (b) members of the nonpartisan staff; (c) clerk staff; or (d) sergeant staff. These provisions related to legislator privilege may not be construed to limit or restrict in any way a privilege or other protection available to a legislator under any other law.

This provision would be effective and initially applicable July 1, 2015.

15. GUBERNATORIAL AUTHORITY TO DIRECT THE AUDIT BUREAU

Joint Finance: Amend current law to provide that any audit by the Legislative Audit Bureau (LAB) of the operations of the Wisconsin Veterans Home at Chippewa Falls by any private entity would be performed at such times as the Legislature directs, instead of at such times as the Governor or Legislature directs. Delete the authority of the Governor to direct the LAB to make special examinations of the accounts and financial transactions of any department, agency, or officer.

16. MEMBERSHIP OF THE JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

Joint Finance: Delete current law which provides that the Joint Survey Committee on Retirement Systems (JSCRS) be composed of 10 members as follows: (a) two majority party senators, one minority party senator, two majority party representatives, and one minority party representative, appointed as are the members of standing committees in their respective houses; (b) an assistant attorney general appointed by the Attorney General; (c) a member of the public who is not a participant in any public retirement system in Wisconsin, to be selected by the Governor; (d) the Commissioner of Insurance or an experienced actuary in the Commissioner's Office designated by the Commissioner; and (5) the Secretary of Employee Trust Funds or his or her designee. Instead, provide that JSCRS continue to be composed of 10 members, consisting of five senators and five representatives appointed as are members of standing committees in their respective houses. With the elimination of nonlegislator members from JSCRS, delete the requirement that the secretary of JSCRS be elected from the nonlegislator members of the committee. Delete current law which provides that legislators, the assistant attorney general and the member of the public appointed to JSCRS under current law serve for a period of four years and until a successor is appointed and qualified. Further, delete current law which provides that any member of JSCRS ceases to be a member of the committee upon losing the status upon which the appointment was based. Finally, delete current law which specifies that membership on JSCRS must not be incompatible with any other public office.

17. PUBLICATION OF ACTS AND PROPOSED CONSTITUTIONAL AMENDMENTS

GPR	- $13,000

Joint Finance: Reestimate the legislative documents sum sufficient appropriation by -$9,000 in 2015-16, and by -$4,000 in 2016-17, associated with the repeal of the following requirements for the Secretary of State to publish in the official state newspaper: (a) within 10 days after the date of publication of an Act a notice certifying the number of each Act, the number of the bill from which it originated, the date of publication and the relating clause, including a notice of where the full text of each Act can be obtained; and (b) on the first Tuesday of August, September, and October immediately preceding any general election, proposed constitutional amendments that were approved for the first time by the Legislature preceding the election. Instead, require the Legislative Reference Bureau (LRB) to publish proposed constitutional amendments that were approved for the first time by the Legislature on the Internet in one or more electronic formats. Further, require the proposed amendments to be published on the Internet by the LRB no later than August 1 preceding any general election and to remain so published until the general election.

Under current law, the costs incurred by the Secretary of State for publishing notifications of Acts and proposed constitutional amendments in the official state newspaper are charged to the legislative documents sum sufficient appropriation. The LRB is currently required to permanently maintain on the Internet in one or more electronic formats each Act, and every portion of an Act that is enacted by the Legislature over the Governor's partial veto, beginning on the date of publication. The LRB may publish such acts on other electronic media in one or more electronic formats, as determined by the LRB. [See "Secretary of State."]

18. 100TH ANNIVERSARY STATE CAPITOL COMMEMORATION COMMISSION

Joint Finance: Require the Joint Committee on Legislative Organization to establish a nine-member 100th Anniversary State Capitol Commemoration Commission. Each of the following would be authorized to appoint one member to the Commission: (a) the Speaker of the Assembly; (b) the Minority Leader of the Assembly; (c) the President of the Senate; (d) the Minority Leader of the Senate; (e) the Governor; (f) the Supreme Court; (g) the Secretary of the Department of Administration; (h) the State Capitol and Executive Residence Board; and (i) the Director of the State Historical Society. Provide that the members of the Commission elect a Chairperson.

Direct the Commission to plan events, including educational programs for children and students, to be held in 2017 for commemorating the 100th anniversary of the completion of the State Capitol. Authorize the Commission to request that individuals and organizations with knowledge of the history, construction, and renovation of the State Capitol assist the Commission in planning and executing the commemoration. Specify that the Commission dissolve upon conclusion of the commemoration of the 100th anniversary of the completion of the State Capitol.

LIEUTENANT GOVERNOR

Budget Summary							
				Joint Finance Change to:			
	2014-15 Base	2015-17	2015-17	Governor		Base	
Fund	Year Doubled	Governor	Jt. Finance	Amount	Percent	Amount	Percent
GPR	$644,200	$574,200	$574,200	$0	0.0%	- $70,000	- 10.9%

FTE Position Summary					
		2016-17	2016-17	Joint Finance Change to:	
Fund	2014-15 Base	Governor	Jt. Finance	Governor	2014-15 Base
GPR	4.00	4.00	4.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $70,000

Governor/Joint Finance: Provide adjustments to the base budget totaling -$35,000 annually in the 2015-17 biennium for full funding of continuing position salaries and fringe benefits.

2. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

Governor: Require that all information technology services for the Office of the Lieutenant Governor be provided by the Department of Administration (DOA).

On the effective date of the bill, specify that the assets and liabilities of the Office related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred to DOA under the provision.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
SEG	$422,200	$454,600	$454,600	$0	0.0%	$32,400	7.7%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
SEG	2.00	2.00	2.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	$32,400

Governor/Joint Finance: Provide $16,100 in 2015-16 and $16,300 in 2016-17 from the conservation fund (75% water resources and 25% forestry account) as follows: (a) $15,700 annually for full funding of continuing salaries and fringe benefits; and (b) $400 in 2015-16 and $600 in 2016-17 for full funding of lease costs and directed moves.

2. ATTACH LWSRB TO DNR [LFB Paper 625]

Governor: Attach the Lower Wisconsin State Riverway Board (LWSRB) to the Department of Natural Resources (DNR) for limited administrative purposes under section 15.03 of the statutes. Specify that, on the effective date of the bill, the assets and liabilities of the Department of Tourism (Tourism) primarily related to the functions of the LWSRB, as determined by the Secretary of Administration, become assets and liabilities of DNR. Further specify that, on the effective date of the bill all tangible personal property, including records, primarily related to the functions of the LWSRB is transferred to DNR and that all contracts entered into by Tourism in effect on the date of the bill that are primarily related to the functions of the LWSRB are transferred to DNR and that DNR shall carry out any obligations under such contracts until the contracts are modified or rescinded by DNR to the extent allowed under the

contracts.

Under current law, the LWSRB is attached to the Department of Tourism for limited administrative purposes. The bill would instead attach the Board to DNR for the same purposes. Under current law and under the bill, the Board consists of a member from each of the following counties: Crawford, Dane, Grant, Iowa, Richland, and Sauk nominated by the respective county boards and then appointed by the Governor as well as three members (from other counties) who must represent recreational user groups and serve subject to Senate confirmation. Under the bill, DNR would continue to assign an employee whose office is in each of the Riverway counties to serve as a liaison representative on issues concerning the Riverway.

Under section 15.03 of the statutes, any attached board is considered a distinct unit of that department. The board exercises its powers, duties, and functions prescribed by law including rule making, licensing and regulation, and operational planning, independently of the department secretary. Limited administrative functions such as budgeting, program coordination, and related management are performed under the direction and supervision of the department secretary.

Joint Finance: Adopt the Governor's recommendation to attach the Lower Wisconsin State Riverway Board to DNR for limited administrative purposes. In addition, specify that personnel and biennial budget requests as determined by the LWSRB are to be forwarded by DNR without change, except as requested or concurred in by the Board.

MEDICAL COLLEGE OF WISCONSIN

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$19,437,400	$19,904,700	$19,904,700	$0	0.0%	$467,300	2.4%
PR	495,000	495,000	495,000	0	0.0	0	0.0
TOTAL	$19,932,400	$20,399,700	$20,399,700	$0	0.0%	$467,300	2.3%

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.

Budget Change Item

1. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	$467,300

Governor/Joint Finance: Provide $232,100 in 2015-16 and $235,200 in 2016-17 to reestimate debt service costs related to general fund supported borrowing issued for the benefit of the Medical College in previous biennia. Annual base level funding for GPR debt service is $3,176,200.

MILITARY AFFAIRS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$52,814,800	$53,738,800	$52,865,800	- $873,000	- 1.6%	$51,000	0.1%
FED	140,669,000	141,806,800	142,521,800	715,000	0.5	1,852,800	1.3
PR	13,487,200	14,523,300	14,367,300	- 156,000	- 1.1	880,100	6.5
SEG	2,361,800	2,361,800	2,361,800	0	0.0	0	0.0
TOTAL	$209,332,800	$212,430,700	$212,116,700	- $314,000	- 0.1%	$2,783,900	1.3%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	80.63	79.33	81.08	1.75	0.45
FED	338.35	335.40	337.65	2.25	- 0.70
PR	37.79	37.37	37.37	0.00	- 0.42
TOTAL	456.77	452.10	456.10	4.00	- 0.67

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 440]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$579,000	- $21,600	$557,400
PR	188,800	- 84,600	104,200
FED	736,400	- 178,400	558,000
Total	$1,504,200	- $284,600	$1,219,600

Governor: Provide adjustments to the base totaling $289,500 GPR, $94,400 PR, and $368,200 FED annually. Adjustments are for: (a) turnover reduction (-$106,200 GPR and -$316,100 FED annually); (b) full funding of continuing position salaries and fringe benefits ($360,400 GPR, $84,600 PR, and $273,200 FED annually); and (c) overtime ($35,300 GPR, $9,800 PR, and $411,100 FED annually).

Joint Finance: Reduce funding by $10,800 GPR, $42,300 PR, and $89,200 FED annually to account for inadvertent errors made when calculating: (a) the full funding of continuing position salaries and fringe benefits (-$10,800 GPR, -$42,300 PR, and -$89,300 FED annually); and (b) turnover reduction ($100 FED annually).

2. MINOR TRANSFERS WITHIN APPROPRIATIONS

Governor/Joint Finance: Provide the following technical budget adjustments within appropriations in order to align funding and position authority with operational purposes:

a. Place 2.3 FED positions that are supported by the Emergency Management Services federal aid, state operations appropriation in the Division of Emergency Management's (WEM) emergency management operations. Base funding and position authority for the appropriation is $4,479,200 FED and 23.35 positions.

b. Place 5.0 FED positions that are supported by the National Guard Operations federal aid appropriation in the Army National Guard's general program administration. Base funding and position authority for the appropriation is $30,588,600 FED and 266.28 positions.

c. Place $16,859,400 FED annually and 6.0 FED positions that are supported by the Emergency Management Services federal aid; homeland security appropriation in WEM's emergency management operations. Base funding and position authority for the appropriation is $16,859,400 FED and 6.0 positions.

d. Place 0.25 PR position that is supported by the Emergency Management Services program services appropriation in WEM's emergency management operations. Base funding for the appropriation is $2,642,800 PR and 11.79 positions.

e. Move 0.75 PR position that is supported by the National Guard challenge academy appropriation from youth opportunity programs to the Army National Guard's Challenge Academy. Base funding for the appropriation is $1,065,300 PR and 12.0 positions.

3. ELIMINATE LONG-TERM VACANCIES [LFB Paper 441]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $158,600	- 1.75	$158,600	1.75	$0	0.00
PR	0	- 0.67	- 71,400	0.00	- 71,400	- 0.67
FED	0	- 3.25	0	3.25	0	0.00
Total	- $158,600	- 5.67	$87,200	5.00	- $71,400	- 0.67

Governor: Eliminate 1.75 GPR positions and associated funding for the positions, totaling $79,300 GPR annually. In addition, reduce position authority by 0.67 PR position and 3.25 FED positions. Expenditure authority associated with the PR and FED positions is not deleted. The administration indicates that the reduction in funding and position authority is associated with

positions that have been vacant for twelve months or more. [Note that 1.0 FED position proposed for elimination has recently been filled by the Department.]

Joint Finance: Restore $79,300 GPR, 1.75 GPR positions, and 3.25 FED positions annually. As a result, 0.67 PR program and policy analyst position would be eliminated from the Department's budget associated with long-term vacancies. The 0.67 PR position is supported by the emergency management services program services appropriation.

Reduce the appropriation's expenditure authority by $35,700 PR annually to account for the salary and fringe benefit costs associated with the eliminated 0.67 PR position. The appropriation supports conferences, training, and other services provided by the Department's Division of Emergency Management, as well as the Division's radiological emergency preparedness (REP) program.

4. EXPENDITURE AUTHORITY INCREASES RELATED TO ESTIMATED PROGRAM REVENUES

PR	$820,000

Governor/Joint Finance: Provide the following expenditure authority increases based on current projections of program revenues and expenditures:

a. $250,000 ($100,000 for billeting services and $150,000 for military property) annually to the National Guard's military property annual appropriation. The Department indicates that the expenditure authority increase in billeting services would be utilized to: (a) support minor inflationary increases in supplies, utilities, and services; (b) replace worn equipment; and (c) implement security improvements in billets. Funding for the expenditure authority increase in billeting services would be supported by a federally-approved increase in rent for billeting. Further, the Department indicates that the expenditure authority increase for military property would be utilized to replace old vehicles and buy new furniture. Funding for military property is generally supported from revenues generated from selling or renting military property. Base funding for the military property appropriation is $771,600, comprised of: (a) $623,700 for billeting services; and (b) $147,900 for military property.

b. $60,000 annually to the National Guard's gifts and grants appropriation to support grants to law enforcement agencies for counter drug measures. Funding for these grants is primarily supported by monies obtained from drug seizures. Base funding for the gifts and grants appropriation is $75,000.

c. $100,000 annually to the emergency management services planning and reporting administration appropriation. Revenue for this appropriation is generated from fees paid by facilities that are subject to federal regulations for hazardous chemicals under the federal Emergency Planning and Community Right-to-Know Act. A facility pays these fees when it submits forms identifying its inventory of hazardous chemicals and notifying state officials of the necessity for emergency response plans for the potential release of hazardous substances. Funding in this appropriation is utilized for emergency planning, notification, response, and reporting activities, as well as to administer grants to local emergency planning committees. The Department indicates that increased expenditure authority would be utilized to support: (a) an

online database that contains information related to facilities housing hazardous substances and local emergency response plans; and (b) travel to small facilities housing hazardous substances to instruct the owners of those facilities on the proper method of reporting information to the Division of Emergency Management. Base funding for the appropriation is $983,600.

5. FEDERAL REVENUE REESTIMATE

FED	$386,400

Governor/Joint Finance: Provide $193,200 annually to the National Guard's indirect cost reimbursements appropriation. Federal funding is provided to reimburse the state for the indirect costs associated with administering the National Guard's federal grants and contracts. Indirect cost reimbursements may be utilized to support such items as administrative costs, program implementation, position funding, and payment of federal aid disallowances. Base funding for the appropriation is $485,800.

6. TRANSFER FEDERAL REVENUE FROM LOCAL ASSISTANCE TO TRANSFERS TO OTHER STATE AGENCIES

Governor/Joint Finance: Transfer $2,500,000 FED within the federal homeland security appropriation from local assistance to transfers to other state agencies. The transfer would reflect federal homeland security grant funding the Department utilizes to support state-operated homeland security programs, including programs related to: (a) interoperability; (b) infrastructure; (c) cyber security; (d) emergency management planning and implementation; (e) intelligence and information sharing; and (f) urban area security. The Department transferred homeland security funding to the following state agencies in 2013-14: the Department of Transportation ($1,629,800); the University of Wisconsin ($273,500); the Department of Justice ($586,000); and the Department of Agriculture, Trade, and Consumer Protection ($61,900). [Due to the uncertainty surrounding future federal homeland security grants, the Department is anticipating fewer transfers in the 2015-17 biennium.] Base funding for the appropriation is $16,859,400.

7. NATIONAL GUARD READINESS [LFB Paper 442]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0
FED	0	1,000,000	1,000,000
Total	$1,000,000	$0	$1,000,000

Governor: Provide $500,000 GPR annually to the National Guard's sum sufficient appropriation in order to maintain Wisconsin Army National Guard readiness. Base funding for the appropriation is $40,000 GPR. Funding provided under the bill would support the costs of the Army National Guard administering its Soldier Readiness Processing (SRP) program for one weekend a month, eleven months out of the year. [The federal government currently provides

funding to support the SRP program for a two-week period, one month out of the year.] The Department indicates that all of the approximate 7,800 soldiers in the Army National Guard could participate in the SRP program if the program operated one weekend, eleven months out of the year, in addition to the federally funded two-week period.

Under regulations established by the United States Army and utilized by the Wisconsin Army National Guard, in order to be deployed into active duty a soldier must have participated in the state's SRP program within the last 12 months. Further, an SRP status check must be performed within 30 days of a soldier being deployed into active duty to ensure that the soldier participated in the SRP program in the last 12 months. The Army National Guard's SRP program primarily: (a) validates a soldier's dental, medical, and personnel records; (b) provides the opportunity for a soldier to update records pertaining to religious preferences, family information, beneficiaries, wills, powers of attorney, and other personal issues; and (c) provides soldiers the opportunity to review life insurance options and education benefits.

Joint Finance: Delete $500,000 GPR annually provided under the bill for National Guard readiness. Instead, provide $500,000 FED annually to the Department's National Guard operations federal aid appropriation for National Guard readiness.

8. MILITARY PROPERTY PROGRAM [LFB Paper 443]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$192,500	0.20	- $10,000	0.00	$182,500	0.20
FED	- 39,600	- 0.20	- 106,600	- 1.00	- 146,200	- 1.20
Total	- $152,900	- 0.20	- $116,600	- 1.00	$36,300	- 1.00

Governor: Provide $97,300 GPR and -$19,800 FED in 2015-16, $95,200 GPR and -$19,800 FED in 2016-17, and convert 0.2 FED position into a GPR-funded position, in order for the Department's Division of Emergency Management (WEM) to assume all administrative duties relating to the federal military property program (known as the 1033 program). Section 1033 of the National Defense Authorization Act of 1997 permits the federal Department of Defense to transfer excess military property to eligible state and local law enforcement agencies for use in counter-drug, counter-terrorism, and other law enforcement activities.

In addition to the funding and position authority provided under the bill, WEM would utilize $92,500 GPR and 1.0 GPR position of existing funding and position authority, as well as $18,500 PR in 2015-16 and $8,500 PR in 2016-17, to administer the program. Program revenue for the state's administration of the military property program would be generated from a $500 enrollment fee charged by the state to law enforcement agencies.

Convert the Emergency Management Services program services annual PR appropriation to a continuing, all monies received, appropriation. The Department indicates that it would utilize the continuing appropriation to collect fees from law enforcement agencies participating

in the military property program. Under current law, the appropriation may be utilized to expend and receive monies relating to conferences, training, and other services provided by WEM.

Joint Finance: Provide the following modifications to the Governor's recommendation: (a) transfer $20,000 GPR annually for rent costs from the emergency management services general program operations appropriation to the National Guard operations general program operations appropriation; (b) reduce funding and position authority for the emergency management services federal aid, state operations appropriation by $53,300 FED and 1.0 FED position annually to account for an existing FED position that would be eliminated; and (c) reduce funding provided to the emergency management services general program operations appropriation by $10,000 GPR in 2016-17.

9. EMERGENCY MANAGEMENT ADMINISTRATION

	Funding	Positions
GPR	$27,300	0.25
PR	27,300	0.25
FED	54,600	0.50
Total	$109,200	1.00

Governor/Joint Finance: Provide $11,700 GPR, $11,700 PR, and $23,400 FED in 2015-16, and $15,600 GPR, $15,600 PR, and $31,200 FED in 2016-17, as well as 1.0 financial specialist position (0.25 GPR, 0.25 PR, and 0.5 FED), to support financial management and grant administration in the Division of Emergency Management (WEM). Program revenue for the position would be generated from fees paid by facilities that are subject to federal regulations for hazardous chemicals under the federal Emergency Planning and Community Right-to-Know Act (EPCRA).

According to the Department, the financial specialist would: (a) administer EPCRA grants as well as other emergency planning grants; (b) review subgrantee audit reports required under certain federal grant programs; and (c) support the general day-to-day operations of WEM. In accordance with EPCRA and state law, WEM provides grants to local emergency planning committees (LEPC), which are responsible for administering emergency response plans at the county level.

10. AGENCY SERVICES APPROPRIATION

Governor/Joint Finance: Modify the National Guard's agency services program revenue appropriation in order to allow the appropriation to receive monies from other appropriations within the Department, as well as monies from other state agencies for services rendered by the Department. The Department indicates that the purpose of the modification is to create a centralized, program revenue appropriation from which funds may be collected and expended for the National Guard's information technology (IT) expenses. Base funding for the agency services appropriation is $60,800.

Under current law, the agency services appropriation may receive and expend monies only relating to services rendered for other state agencies. As a result, IT expenditures associated with each of the National Guard's individual programs must be made from the different appropriations that support each program. According to the Department, the current method of supporting IT costs creates difficulties for auditors who ensure that the National Guard utilizes its federal funds

and property in accordance with federal law.

11. FUEL AND UTILITIES

GPR	- $712,500

Governor/Joint Finance: Reduce funding by $393,000 in 2015-16 and $319,500 in 2016-17 associated with fuel and utility cost estimates at Army and Air National Guard facilities. Base level funding for agency energy costs is $2,773,100.

12. DEBT SERVICE [LFB Paper 175]

GPR	- $3,700

Governor/Joint Finance: Provide $44,100 in 2015-16, and -$47,800 in 2016-17, to reflect the reestimate of GPR debt service costs on state general obligation bonds and commercial debt issued for National Guard facilities operated by DMA.

13. OFFICE OF CONTINUITY OF STATE GOVERNMENT [LFB Paper 114]

Governor: Direct the Department's Division of Emergency Management (WEM) to consult with the Department of Administration's Office of Government Continuity, as created under the bill. The Division of Emergency Management would assist the Office establish and administer a continuity of government program to ensure the continuity of state government operations during a disaster.

Under current law, WEM is to prepare Wisconsin and its subdivisions to cope with emergencies resulting from a disaster, or the imminent threat of a disaster. Furthermore, WEM officials assist local units of government and local law enforcement agencies in responding to a disaster or the imminent threat of a disaster. [See "Administration -- Transfers."]

Joint Finance: Delete provision.

MISCELLANEOUS APPROPRIATIONS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$215,579,400	$214,294,700	$187,313,700	- $26,981,000	- 12.6%	- $28,265,700	- 13.1%
SEG	60,996,000	62,125,800	62,745,700	619,900	1.0	1,749,700	2.9
TOTAL	$276,575,400	$276,420,500	$250,059,400	- $26,361,100	- 9.5%	- $26,516,000	- 9.6%

FTE Position Summary

There are no authorized positions for Miscellaneous Appropriations.

Budget Change Items

1. EAU CLAIRE CONFLUENCE DEVELOPMENT PROJECT [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$15,000,000	- $15,000,000	$0

Governor: Create a continuing appropriation for the purpose of providing grants to an economic development district and provide $15,000,000 GPR in 2016-17 for the grants. Permit DOA to award grants to a city in the state for an economic development district that includes a community arts center and a mixed-use development. Require the applicant city to submit to DOA a financial plan for the economic development district. Specify that the plan must include matching funds (cash, in-kind, or both) that equal 100 percent of the grant funding being requested. In addition, require that the applicant provide proof, to the satisfaction of DOA, of other financing for the economic development district. Specify that DOA may not award more than $15.0 million in grants in total. Further, specify that the funding, which is provided in 2016-17, will not remain in the budgeted base for miscellaneous appropriations.

The Budget in Brief indicates that, "The Governor intends to provide these funds to the

Confluence Development Project in the City of Eau Claire to support development in the City's downtown, provided that the district meets the financial matching requirements." [See "Administration -- General Agency Provisions."]

Joint Finance: Delete provision. Instead, provide $15.0 million in GPR-supported bonding and enumerate a Confluence Arts Center in Eau Claire under the 2015-17 state building program [see "Building Program."] In addition, provide $1,075,700 GPR under the Building Commission in 2016-17 for debt service associated with the project. [See "Building Commission."]

2. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND

GPR	- $11,500,000

Governor/Joint Finance: Decrease funding by $9,000,000 in 2015-16 to reflect the removal of first year funding from the base for the disaster damage aids transfer appropriation and $2,500,000 in 2016-17 to reflect a decrease in the estimated amount needed to fund disaster claims. 2013 Wisconsin Act 20 established a sum sufficient appropriation from the general fund to fund a transfer to the transportation fund in the second year of each biennium equal to the amount of disaster aid payments made in that biennium in excess of $1 million for any single disaster event. The transfer was estimated at $9,000,000 in 2014-15 under Act 20, although this amount has since been reestimated to $500,000 to reflect slower than expected reimbursement claims for damage related to a 2011 storm in northwest Wisconsin. This item would remove the first year funding from the base, and fund the estimated transfer at $6,500,000 in 2016-17 to reflect additional claims expected from that disaster.

3. OIL PIPELINE TERMINAL TAX DISTRIBUTION

GPR	$1,950,000

Governor/Joint Finance: Increase estimated payments by $850,000 in 2015-16 and $1,100,000 in 2016-17. With these increases, oil pipeline terminal tax payments would equal $2,450,000 in 2015-16 and $2,700,000 in 2016-17, relative to base level funding of $1,600,000. The oil pipeline terminal tax distribution provides payments to municipalities where oil pipeline terminal facilities are located. The payment equals a proportionate share of the pipeline company's state tax payment based on the terminal facility's cost as a percentage of the gross book value of the pipeline company in Wisconsin.

4. REESTIMATE OF CANCELED DRAFT PAYMENTS

SEG	$900,000

Governor/Joint Finance: Provide $450,000 annually from the transportation fund associated with reestimated canceled draft payments. Under current law, any check, share draft, or other draft that is issued by the state may be canceled if not cashed in the period stated on the check or draft. The funds are then re-credited to the fund from which the moneys would have been paid. The party to whom the original check or draft was written may request a reissuance of the canceled check or draft within six years of the original issuance. The canceled draft payments appropriation is a sum sufficient. The appropriated amounts represent an estimate of the SEG-funded checks and drafts that will be reissued each year. Base funding for the appropriation is $0

SEG annually.

5. TRANSFERS TO THE CONSERVATION FUND [LFB Paper 473]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $16,500	$ 0	- $16,500
SEG	229,800	1,219,900	1,449,700
Total	$213,300	$1,219,900	$1,433,200

Governor: Estimate the revenue transferred from the transportation fund to the segregated snowmobile, all-terrain vehicle (ATVs and utility terrain vehicles), and water resources (motorboats) accounts of the conservation fund from the recreational vehicle fuel tax formulas based on the current fuel tax rate and the estimated number of registered recreational vehicles. [It should be noted that there is an error in the ATV transfer calculation under the bill.]

	2015-16			2016-17		
	Base	Change	Total	Base	Change	Total
Snowmobiles	$5,076,900	$389,000	$5,465,900	$5,076,900	$279,700	$5,356,600
ATVs	1,908,100	-312,300	1,595,800	1,908,100	-334,700	1,573,400
UTVs	65,700	73,400	139,100	65,700	73,400	139,100
Motorboats	12,978,000	88,600	13,066,600	12,978,000	-27,300	12,950,700
Total	$20,028,700	$238,700	$20,267,400	$20,028,700	-$8,900	$20,019,800

In addition, reestimate the reimbursement to the conservation fund for debt service on certain land acquisitions by -$200 (to $16,300) in 2015-16 and -$16,300 (to $200) in 2016-17.

Joint Finance: Provide $1,219,900 for the following changes to the recreational vehicle fuel tax transfers to reflect registrations based on more recent data.

	2015-16	2016-17
Water Resources		
Governor	$13,066,600	$12,950,700
Joint Finance Change	109,800	289,300
Total Reestimate	$13,176,400	$13,240,000
Snowmobile		
Governor	$5,465,900	$5,356,600
Joint Finance Change	-197,900	-86,600
Total Reestimate	$5,268,000	$5,270,000
ATV		
Governor	$1,595,800	$1,573,400
Joint Finance Change	445,100	511,600
Total Reestimate	$2,040,900	$2,085,000
UTV		
Governor	$139,100	$139,100
Joint Finance Change	55,700	92,900
Total Reestimate	$194,800	$232,000
Joint Finance Change	$412,700	$807,200

6. MARQUETTE DENTAL SCHOOL DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	$100,800

Governor/Joint Finance: Increase funding by $11,900 in 2015-06 and $88,900 in 2016-17 to reflect the reestimate of debt service costs on state general obligation bonds and commercial paper debt issued to fund a portion of the dental and educational facility for the Marquette Dental School. Total debt service cost associated with bonds issued for the school would be $2,116,500 in 2015-16 and $2,193,500 in 2016-17.

7. AVIATION FUEL PETROLEUM INSPECTION FEE REFUND REESTIMATE [LFB Paper 491**]**

SEG	- $600,000

Joint Finance: Delete $300,000 annually to reestimate the aviation fuel petroleum inspection fund refunds to airlines from $600,000 to $300,000. Purchasers of aviation fuel are eligible for a refund of the two cent per gallon petroleum inspection fee for each gallon of aviation fuel purchased in excess of 1,000,000 gallons per month. The refunds are paid from a sum sufficient appropriation from the segregated petroleum inspection fund.

Other Miscellaneous Appropriation Changes

The description and fiscal effect of miscellaneous appropriation changes relating to Illinois-Wisconsin income tax reciprocity and interest on overpayment of taxes are summarized under "General Fund Taxes."

NATURAL RESOURCES

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$273,887,200	$231,664,400	$226,858,100	- $4,806,300	- 2.1%	- $47,029,100	- 17.2%
FED	165,072,200	162,470,500	162,155,700	- 314,800	- 0.2	- 2,916,500	- 1.8
PR	70,995,400	71,872,800	71,555,800	- 317,000	- 0.4	560,400	0.8
SEG	639,754,400	638,661,900	656,866,200	18,204,300	2.9	17,111,800	2.7
TOTAL	$1,149,709,200	$1,104,669,600	$1,117,435,800	$12,766,200	1.2%	- $32,273,400	- 2.8%
BR		$21,000,000	- $75,350,000				

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	277.20	231.52	230.02	- 1.50	- 47.18
FED	494.59	479.84	479.84	0.00	- 14.75
PR	247.14	244.64	243.89	- 0.75	- 3.25
SEG	1,623.11	1,618.95	1,595.35	- 23.60	- 27.76
TOTAL	2,642.04	2,574.95	2,549.10	- 25.85	- 92.94

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	$662,300
FED	- 304,900
PR	1,097,000
SEG	2,397,100
Total	$3,851,500

Governor/Joint Finance: Provide adjustments to the base budget totaling $1,870,300 in 2015-16 and $1,981,200 in 2016-17 as follows: (a) -$3,177,700 annually for turnover reduction (-$289,800 GPR, -$580,900 FED, -$118,700 PR, and -$2,188,300 SEG); (b) -$1,064,200 (-$235,000 GPR and -$829,200 SEG) in 2015-16 and -$1,125,600 (-$235,000 GPR, -$61,400 FED, and -$829,200 SEG) in 2016-17 for removal of non-continuing elements from the base; (c) $2,685,200 annually

($807,600 GPR, $394,800 FED, $659,200 PR, and $823,600 SEG) for full funding of continuing salaries and fringe benefits; (d) $3,193,800 annually ($8,000 PR and $3,185,800 SEG) for overtime; and (e) $233,200 ($35,300 GPR, $47,000 FED, and $150,900 SEG) in 2015-16 and $405,500 ($61,400 GPR, $81,700 FED, and $262,400 SEG) in 2016-17 for full funding of lease and directed moves.

2. POSITION REDUCTIONS [LFB Paper 450]

Governor: Delete $5,024,400 annually ($86,300 GPR, $1,148,400 FED, $207,600 PR, and $3,582,100 SEG) and 66.09 positions as shown in the following table.

	Funding	Positions
GPR	- $172,600	- 1.00
FED	- 2,296,800	- 12.75
PR	- 415,200	- 2.75
SEG	- 7,164,200	- 49.59
Total	- $10,048,800	- 66.09

Program	Title	FTE	Annual Reduction	Fund Source
Educators:				
Fisheries Management	Natural Resources Educator - Advanced	-0.75	-$63,400	FED
Communication and Education	Natural Resources Educator - Advanced	-1.00	-85,100	FED
	Natural Resources Educator - Advanced	-3.00	-220,000	Conservation Fund SEG
Fisheries Management	Natural Resources Educator - Advanced	-0.25	-21,200	Fish and Wildlife SEG
Parks	Natural Resources Educator - Advanced/Senior	-3.00	-242,700	Parks SEG
Southern Forests	Natural Resources Educator - Senior	-1.00	-80,700	Forestry SEG
Natural Resources Magazine	Natural Resources Program Specialist	-1.00	-81,700	Natural Resources Magazine SEG
Waste Management	Natural Resources Educator - Advanced	-1.00	-79,400	Environmental Management SEG
Subtotal		-11.00	-874,200	
Science Services:				
	Natural Resources Scientist - Advanced/Senior	-9.25	-914,000	FED
	Chemist- Advanced/Senior	-1.25	-103,800	PR
	Natural Resources Research Scientist - Advanced/Senior	-7.40	-793,000	Conservation Fund SEG
	Natural Resources Research Scientist - Advanced	-0.50	-50,400	Nonpoint SEG
Subtotal		-18.40	-1,861,200	
Vacancies:				
Land and Forestry Program				
Wildlife Management	Natural Resources Area Supervisor	-2.00	-138,400	Fish and Wildlife SEG
	Wildlife Biologist- Advanced/Senior	-2.00	-96,900	Fish and Wildlife SEG
	Wildlife Biologist	-1.00	-53,000	Fish and Wildlife SEG
	Wildlife Technician - Advanced	-0.50	-25,600	Fish and Wildlife SEG
Facilities and Lands	Wildlife Technician - Advanced	-1.00	-38,300	Conservation Fund SEG
Parks	Ranger	-5.00	-311,700	Parks SEG
Forestry	Forester- Senior	-3.00	-207,600	Forestry SEG
	Forestry Specialist	-1.00	-69,200	Forestry SEG
	Natural Resources Region Team Supervisor	-1.00	-69,200	Forestry SEG
Endangered Resources	Conservation Biologist - Advanced	-2.00	-116,000	Endangered Resources SEG
Air and Waste Program				
Remediation and Redevelopment	Hydrogeologist	-1.00	-53,100	FED
Waste Management	Information Systems Comprehensive Services - Senior	-1.00	-86,300	GPR
Air Management	Air Management Specialist - Advanced/Senior	-1.50	-103,800	Air Emissions Fees PR
Enforcement and Science Program				
Law Enforcement	Natural Resources Law Enforcement Supervisor	-0.50	-34,600	Conservation Fund SEG

Program	Title	FTE	Reduction	Fund Source
Water Program				
Fisheries Management	Fisheries Technician	-0.75	-$32,800	FED
Fisheries Management	Fisheries Technician- Advanced	-0.44	-25,600	Fish and Wildlife SEG
Fisheries Management	Fisheries Biologist- Senior	-2.00	-138,400	Fish and Wildlife SEG
Fisheries Management	Natural Resources Region Team Supervisor	-4.00	-276,800	Fish and Wildlife SEG
Fisheries Management	Natural Resources Staff Specialist	-2.00	-138,400	Fish and Wildlife SEG
Customer Assistance and Employee Services (CAES) Program				
Finance	Accountant- Advanced	-1.00	-80,900	Conservation Fund SEG
Finance	Financial Management Supervisor	-1.00	-81,000	Conservation Fund SEG
Community Financial Assistance	Natural Resources Financial Assistance Specialist - Senior	-1.00	-34,600	Conservation Fund SEG
Community Financial Assistance	Natural Resources Liaison Specialist	-1.00	-34,600	Conservation Fund SEG
CAES Program Management	Program Assistant - Advanced	-1.00	-42,200	Conservation Fund SEG
Subtotal		-36.69	-$2,289,000	
Total		-66.09	-$5,024,400	

The administration indicates that the positions identified as vacant were based on position classification types which had consistent vacancies over several years. This differs from the long-term vacancies identified in other agencies which were based on positions which had been vacant for more than twelve months.

Joint Finance: Adopt the Governor's recommendation. In addition, specify that for the 11.0 education-related positions and 18.4 science services positions eliminated under the bill, the statutory requirements under section 230.34(2) of the statutes shall not apply. [Section 230.34(2) of the statutes requires the agency to identify and terminate (release) all employees in the layoff group who are performing duties which the employee would be qualified to perform including: (a) limited-term employees, including provisional employees; (b) employees serving on a project appointment; and (c) employees serving an original appointment probationary period.]

3. STEWARDSHIP PROGRAM [LFB Paper 451]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$1,030,000	$1,030,000
SEG	0	6,000,000	6,000,000
Total	$0	$7,030,000	$7,030,000
BR	$0	- $88,250,000	- $88,250,000

Governor: Specify that, beginning with fiscal year 2015-16, the Department may not obligate moneys from the land acquisition subprogram of the reauthorized Warren Knowles Gaylord Nelson Stewardship program if the annual general fund debt service on amounts obligated under the reauthorized stewardship program exceeds $54,305,700. Administration officials indicate that they do not believe any of the $176 million BR authorized for the last five years of the land acquisition subprogram could be obligated under the bill.

Under the Warren Knowles-Gaylord Nelson Stewardship program, DNR acquires land and provides grants to local units of government and non-profit conservation organizations (NCOs) for land acquisition, easements, and nature-based outdoor recreational property development activities. The state generally issues 20-year tax-exempt general obligation bonds to support the stewardship program. Debt service for stewardship bonding is primarily funded from a sum sufficient general purpose revenue (GPR) appropriation with a portion of the funding coming from the forestry account of the conservation fund ($13.5 million annually). 2013 Act 20 reduced total stewardship program authorized bonding by $63.5 million (to $1,365.5 million) and specifies that DNR may not obligate more than $47.5 million in fiscal year 2013-14, not more than $54.5 million in fiscal year 2014-15 and in fiscal year 2015-16, and not more than $50 million in each year from 2016-17 through 2019-20. Beginning in fiscal year 2011-12, any bonding authority remaining unobligated at the end of a fiscal year may not be used in future fiscal years. Bonding allocations under current law and under the Governor are shown in the following table.

Stewardship Bonding Allocations by Subprogram

Current Law

	FY16	FY17	FY18	FY19	FY20
Land Acquisition:					
DNR Acquisitions	$19,260,000	$22,260,000	$22,260,000	$22,260,000	$22,260,000
NCO Acquisitions	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
County Forest Grants	[a]	[a]	[a]	[a]	[a]
BCPL Natural Areas	0	1,000,000	1,000,000	1,000,000	1,000,000
County Dam Safety Grants	740,000	740,000	740,000	740,000	740,000
Subtotal	$32,000,000	$36,000,000	$36,000,000	$36,000,000	$36,000,000
Recreational Boating Aids	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000
Property Development and Local Assistance:					
DNR Property Development	$6,500,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000
Motorized Stewardship [d]	500,000	500,000	500,000	500,000	500,000
Kettle Moraine Springs Fish Hatchery	7,000,000	0	0	0	0
Local Assistance Grants	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Subtotal	$20,000,000	$11,500,000	$11,500,000	$11,500,000	$11,500,000
Total	$54,500,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000

2015-17 Governor's Bill

	FY16	FY17	FY18	FY19	FY20
Land Acquisition:					
DNR Acquisitions	$0	$0	$0	$0	$0
NCO Acquisitions	0	0	0	0	0
County Forest Grants	0	0	0	0	0
BCPL Natural Areas	0	0	0	0	0
County Dam Safety Grants	0	0	0	0	0
Subtotal	$32,000,000 [b]	$36,000,000 [b]	$36,000,000 [b]	$36,000,000 [b]	$36,000,000 [b]
Recreational Boating Aids	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000
Property Development and Local Assistance:					
DNR Property Development	$0 [c]	$0 [c]	$5,000,000	$5,000,000	$5,000,000
Motorized Stewardship [d]	0 [c]	0 [c]	500,000	500,000	500,000
Kettle Moraine Springs Fish Hatchery	7,000,000	7,000,000	7,000,000	0	0
Local Assistance Grants	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Subtotal	$20,000,000	$11,500,000 [e]	$11,500,000 [e]	$11,500,000	$11,500,000
Total	$54,500,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000

[a] DNR plans to utilize unspent prior NCO funds for county forest grants as allowed by 2013 Act 20.

[b] Authorized, but could not be obligated given debt service threshold.

[c] Although the bill would allow $7.0 million in 2015-16 and $5.5 million in 2016-17 for DNR property development (including $500,000 annually for motorized stewardship) projects in the 2015-17 biennium, the Building Commission's recommendations for the 2015-17 building program would not provide for any DNR property development projects utilizing stewardship funds.

[d] Motorized stewardship projects (for ATV, UTV, and snowmobile trail projects) are subtracted from the DNR property development allocation. DNR indicates they plan to generally allocate $500,000 annually for motorized stewardship projects.

[e] Although the bill would specify $18.5 million in allocations in fiscal year 2016-17 and 2017-18, only $11.5 million is statutorily authorized.

Currently, under the land acquisition subprogram, DNR may obligate not more than $32 million in fiscal year 2015-16 and not more than $36 million in each year from fiscal year 2013-14 through 2019-20, and must set aside $12 million annually for grants to NCOs and set aside $1 million annually to acquire land from the Board of Commissioners of Public Lands (BCPL) in fiscal years 2016-17 through 2019-20. The land acquisition subprogram may also be utilized for grants to counties to acquire land to be included in a county forest. Under the bill, the Department would be prohibited from obligating any funds under the land acquisition subprogram of the reauthorized stewardship program (bonding authority of up to $1,134,500 authorized for the 20 fiscal years from 2000-01 through 2019-20), if the annual general fund debt service on amounts obligated under the reauthorized program exceeds $54,305,700. While it is unclear under the bill when this provision would be triggered, the administration indicates that the intent was that DNR not obligate funds under the land acquisition subprogram of the reauthorized program if, in the prior fiscal year, the GPR debt service on the reauthorized program exceeded $54,305,700. The following table shows actual 2013-14 and budgeted 2014-15 through 2016-17 stewardship-related debt services costs.

Stewardship Debt Repayments

			Governor	
	2013-14 Actual	2014-15 Base	2015-16	2016-17
GPR	$73,464,500	$76,307,000	$74,935,700	$71,306,200
SEG	13,500,000	13,500,000	13,500,000	13,500,000
Total	$86,964,500	$89,807,000	$88,435,700	$84,806,200

While the majority of the debt service shown in the table is related to the stewardship program, a portion of the payments are related to bonding mostly authorized prior to the creation of the first stewardship program for several similar recreational land acquisition programs, and for a local dam repair and removal grant program. Of the total $87 million expended in fiscal year 2013-14, approximately $64 million was for principal repayment and interest related to the reauthorized stewardship program and approximately $21 million was for the original stewardship program (the $231 million BR authorized for the 10 years from 1990-91 through 1999-2000).

Joint Finance: Delete provision. Rather, specify that DNR may not obligate more than $33,250,000 in each year from fiscal year 2015-16 through 2019-20 under the reauthorized stewardship program as shown in the following table. Reduce the amount of total bonding authority for the stewardship program by $88,250,000 from the currently authorized $1,365,500,000 ($1,277,250,000 would be authorized for the program) and provide $50,000 GPR in 2015-16 and $980,000 GPR in 2016-17 to reflect estimated debt service payments under the revised program.

Joint Finance Stewardship Program Allocations

	2015-16	2016-17 thru 2019-20
Land Acquisition Subprogram		
DNR Acquisition	$9,000,000	$9,000,000
County Forests	5,000,000	5,000,000
Nonprofit Conservation Organizations (NCOs)	7,000,000	7,000,000
Land Acquisition Subtotal	$21,000,000	$21,000,000
Property Development and Local Assistance Subprogram		
DNR Property Development	$3,750,000	$3,750,000
Kettle Moraine Springs*	0	0
Local Assistance	6,000,000	6,000,000
Subtotal	$9,750,000	$9,750,000
Recreational Boating Aids	2,500,000	2,500,000
Total Bonding Allocation	$33,250,000	$33,250,000
Current Law and Governor BR	54,500,000	50,000,000
Change to Current Law and Governor	-$21,250,000	-$16,750,000

*$26.6 million would be enumerated for the Kettle Moraine Springs Fish Hatchery project and DNR may obligate up to $26.6 million for the project. However, DNR may use up to $19.6 million in authorized but unobligated funds through fiscal year 2013-14 ($27,855,000 available) for the project along with $7 million set aside in fiscal year 2014-15 under current law.

Land Acquisition. The bill would specify $9 million each year be allocated for DNR land acquisition. A current law provision would remain that specifies DNR may not obligate more than one-third of this amount for land acquisition in fee simple (outright purchase); therefore, at least two-thirds ($6 million) must be used for DNR easements or grants for county forests. Further, specify that $5 million annually be set aside from the land acquisition subprogram only to provide grants to counties primarily to acquire land to be included in a county forest (under current law, DNR has discretion over the amount of annual land acquisition subprogram funding allocated to county forest grants). In addition, specify that the annual amount required be set aside from the land acquisition subprogram for Department purchases (including fee title and easement purchases) for the Ice Age Trail be $1 million (rather than the $3 million currently provided for DNR purchases and grants for state trails and the Ice Age Trail). Also, eliminate the requirement that the Department set aside $1 million each year beginning in 2016-17 from land acquisition for purchases from the Board of Commissioners of Public Lands (BCPL) [The Department would remain able to utilize their general land acquisition funds to purchase property from BCPL]. In addition, require DNR to set aside $7 million each year for grants to NCOs (rather than the $12 million set aside under current law), with any remaining NCO allocation available for grants to county forests in the subsequent year (as under current law).

Property Development. Specify that stewardship bonding of $3,750,000 each year from 2015-16 through 2019-20 may be utilized for DNR property development, including motorized stewardship grants. In addition, provide $3 million SEG in fiscal year 2015-16 and $3 million

SEG in fiscal year 2016-17 in one-time funding in a continuing appropriation from the forestry account for property development of Department lands. Specify the 2015-17 state building program include a total of $13.5 million in property development funding. [The Building Commission's 2015-17 building program recommendations would not have provided for any DNR property development projects utilizing stewardship funds. Joint Finance would provide $3.75 million each year in stewardship bonding authority for DNR property development and $3 million forestry SEG each year in one-time funds in 2015-16 and 2016-17.]

4. KETTLE MORAINE SPRINGS FISH HATCHERY AND USE OF UNOBLIGATED STEWARDSHIP BONDING AUTHORIZATION [LFB Papers 451 and 452]

Governor: Specify that an additional $14 million in existing Knowles-Nelson Stewardship Program bonding authority from the property development and local assistance subprogram be designated for infrastructure improvements to the Kettle Moraine Springs Fish Hatchery in Sheboygan County, including $7 million in fiscal year 2016-17 and $7 million in fiscal year 2017-18. Further, specify that s. 23.0917(5g) of the statutes, which prohibits the Department from obligating an unobligated amount appropriated for a subprogram in a given year in subsequent fiscal years, does not apply with respect to amounts obligated before July 1, 2018, for infrastructure improvements to the Kettle Moraine Springs fish hatchery. [An amendment would be needed to implement this intent.]

Joint Finance: Specify that, notwithstanding section 23.0917(5g) of the statutes, DNR shall obligate funds from existing stewardship bonding authority that was not obligated in fiscal years 2011-12, 2012-13, and 2013-14 [$27,855,000], in the following amounts for the following purposes as shown in the table: (a) the amount necessary, but not more than $19.6 million for infrastructure improvements to the Kettle Moraine Springs (KMS) fish hatchery (this would be in addition to the $7 million in authorized bonding authority from fiscal year 2015-16 that was set aside for the KMS hatchery project, enumerating a total of $26.6 million stewardship BR for the project); (b) the amount necessary, but not more than $5.0 million for a project to repair or replace the Little Falls Dam at Willow River State Park in St. Croix County (including $3,041,700 from existing general fund supported borrowing provided under the state building program amendment -- the project would be enumerated at $8,041,700); and (c) any remaining unobligated funds for county dam safety grants under section 32.385(7) of the statutes, until the total amount obligated from the stewardship program for these grants reaches $6 million (estimated at approximately $3.2 million).

Project	Previously Unobligated Bonding Authority
Kettle Moraine Springs Fish Hatchery	$19,600,000
Little Falls Dam (Willow River State Park)	5,000,000
County Dam Safety Grants	3,237,400*
Total	$27,837,400

*Estimate. DNR currently expects to obligate approximately $2,762,600 of the $6 million set aside for county dam safety grants by the end of fiscal year 2014-15.

Prior to 2011, if the Department did not obligate the full amount allocated under a stewardship subprogram, DNR was directed to raise the next year's annual bonding authority for the subprogram by an amount equal to the unobligated amount. 2011 Act 32 specified that this does not apply after fiscal year 2010-11. As a result, beginning in fiscal year 2011-12, DNR is no longer allowed to carry forward unobligated bonding authority into subsequent fiscal years. From fiscal years 2011-12 through 2013-14, approximately $27,855,000 of stewardship bonding authority was unobligated. The bill would allow up to $19.6 million of this authorized, but previously unobligated, funding to be obligated for the KMS fish hatchery project (in addition to the $7 million set aside from fiscal year 2014-15 for the project); up to $5 million to repair or replace the Little Falls Dam at Willow River State Park; and any remaining unobligated funds for county dam safety grants until the total stewardship obligation for the grants reaches $6 million. Under current law, stewardship county dam safety grants may only be awarded for a county-owned dam that is under an order by DNR for maintenance, repair, modification, abandonment or removal as of July 1, 2011. Grants are provided for up to 25% of eligible project costs, with a maximum grant award of $2.5 million ($10 million project). DNR currently expects to obligate approximately $2.8 million of this $6 million by the end of fiscal year 2014-15.

5. NEENAH/MENASHA TWIN TRESTLES PROJECT STEWARDSHIP FUNDING

Joint Finance: Direct DNR to provide stewardship funds in the amount necessary, but not to exceed $1.6 million, from the local assistance grant program to the cities of Neenah and Menasha for up to 50% of the costs of a project to construct two pedestrian bridges across the Fox River (one bridge across the south branch of the Fox River in Neenah and one bridge across the north branch of the Fox River in Menasha) and for completion of the associated trail loop, referred to as the Twin Trestles project.

The cities of Neenah and Menasha plan to construct two pedestrian trestle bridges (a bridge composed of a number of short spans supported by rigid frames used as supports -- trestles) over the Fox River and trail connections to two existing trails. The project, referred to as the Twin Trestles project, would create a 3.2 mile loop around Little Lake Butte des Morts and connect with existing trails. Total project costs are estimated at $3.2 million (including $1,664,000 for the Neenah bridge and trail connection and $1,536,000 for the Menasha bridge and trail connection).

6. STEWARDSHIP FEE SIMPLE ACQUISITION NORTH OF STATE TRUNK HIGHWAY 64

Joint Finance: Specify that all fee simple land acquisitions north of State Trunk Highway 64 acquired using stewardship funds are subject to review by the Joint Committee on Finance under a 14-day passive review process.

Under current law, stewardship projects of $250,000 or more are subject to review by the Joint Committee on Finance under a 14-day passive review procedure. The bill would require all fee simple land acquisitions north of Highway 64 utilizing stewardship funds to be subject to this 14-day passive review procedure. [State Trunk Highway 64 runs east–west across Wisconsin

from U.S. Highway 41 in the City of Marinette to the Minnesota state line on the Stillwater Bridge in Stillwater, Minnesota.]

7. STEWARDSHIP LAND SALES

Joint Finance: Specify that the net proceeds (after repayment of any outstanding debt on that parcel, applicable federal tax law compliance, or other restrictions governing use of the proceeds, such as if the property was acquired by gift or grant) of DNR land sales from land required to be offered for sale under s. 23.145 of the statutes be used as follows: (a) fifty percent to pay principal on outstanding public debt issued under the stewardship program; and (b) fifty percent to be deposited in a new continuing conservation fund SEG appropriation to be used for DNR to acquire land in the manner specified under s. 23.09(2)(d) of the statutes with priority given to the following purposes [the same requirements which currently apply to land acquired by DNR under the stewardship program]: (a) acquisition of land that preserves or enhances the state's water resources, including land along the Lower Wisconsin State Riverway and land abutting wild rivers, wild lakes, and land along the shores of the Great Lakes; (b) acquisition of land for the stream bank protection program; (c) acquisition of land for habitat areas and fisheries; (d) acquisition of land for natural areas; (e) acquisition of land in the middle Kettle Moraine; and (f) acquisition of land in the Niagara Escarpment corridor.

Under section 23.145 of the statutes, the Natural Resources Board is required to, on or before June 30, 2017, offer for sale at least 10,000 acres of DNR property located outside the project boundaries established as of May 1, 2013. Currently, the net proceeds must be used to pay principal on outstanding public debt issued under the stewardship program. Under the bill, fifty percent of net proceeds of DNR land sales (of those lands required to be offered for sale by June 30, 2017) would be used to pay principal on outstanding public debt issued under the stewardship program, and fifty percent would be for DNR acquisition of land.

8. TRANSFERS WITHIN APPROPRIATIONS

Governor/Joint Finance: Authorize several transfers within the same appropriation including: (a) in the Land Division transfer 1.0 position and $51,500 SEG annually from southern forests to parks to correct an earlier error and transfer 1.0 position and $62,600 SEG from land program management to parks to offset the reduction of 1.0 position under 2013 Act 20 (as part of the reduction of 32.1 positions); (b) in the Air and Waste Division, move $75,700 SEG from the Unallotted reserve line to the one-time funding line in each year for PECFA and brownfields administration; (c) in the Water Division, transfer 3.0 positions (2.0 FED and 1.0 SEG) and $286,500 ($200,500 FED and $86,000 SEG) from water quality to watershed management and transfer 4.13 positions (1.0 GPR, 2.10 FED, 0.50 PR, and 0.53 SEG) and $359,500 ($98,400 GPR, $174,100 FED, $43,900 PR, and $43,100 SEG) from watershed management to water quality related to the establishment of the Bureau of Water Quality under 2013 Act 20, and transfer 3.0 FED positions from drinking water and groundwater to water quality to correct an error in the adjusted base; and (d) in the Division of Administration and Technology and Division of Customer Assistance and Employee Services, transfer 3.10 positions (2.60 SEG and 0.50 PR) and $284,700 ($255,300 SEG and $29,400 PR) between subprograms

intended to better align with current workload.

9. TRANSFERS BETWEEN APPROPRIATIONS [LFB Paper 453]

Governor: Make several transfers between DNR appropriations as follows:

Transfers Intended to Better Align With Current Work Performed

Position	Annual Transfer	Fund Source	FTE	Transfer From	Transfer To
Stewardship Grant Manager	$196,800	2.00	SEG	Community Financial Assistance	Facilities and Lands
Natural Resources Customer Services Representative- Senior	61,900	1.00	SEG	Management and Budget	Customer Service and
Natural Resources Customer Services Representative- Senior	26,000	0.50	GPR	Human Resources	Customer Service and
Payroll and Benefits Specialist	8,300	0.15	SEG	Community Financial Assistance	Human Resources
Attorney	13,800	0.10	SEG	Watershed Management	Legal Services
Total	$306,800	3.75			

In addition, modify the title under s. 20.370 (3) of the appropriation to read "Public Safety and Business Support" rather than "Enforcement and Science". Transfer all positions in the Office of Business Support and Sustainability from the Division of Customer Assistance and Employee Services (CAES) to the Public Safety and Business Support program as shown in the following table:

Office of Business Support and Sustainability

Amount	FTE	Fund Source
$1,559,400	16.00	GPR
1657,800	15.50	PR
664,900	7.50	SEG
$3,882,100	39.00	

Of the 39 positions shown in the table, 38 would be housed in the new Office of Business Support budgetary subprogram, while 1.0 natural resources program coordinator position and $69,200 GPR would be transferred to the integrated science services subprogram. 2013 Act 32 established the Office of Business Support and Sustainability as a budgetary subprogram under the CAES Division and transferred Cooperative Environmental Assistance (CEA) staff from the Air and Waste Division and Office of Energy and Environmental Analysis (OEEA) staff from the Bureau of Science Services in the Enforcement and Science Division to the Office of Business Support and Sustainability in the CAES Division. CEA staff provide pollution prevention, regulatory assistance, and industry recognition to Wisconsin businesses across a variety of business sectors and OEEA staff are responsible for coordinating the review of all proposed energy and utility projects in Wisconsin.

Joint Finance: Correct the budget system to transfer 2.5 PR positions annually to an appropriation that receives funding from federally-regulated stationary sources of air pollutants, which is the same funding source as currently supports the positions.

10. CONVERT NATURAL RESOURCES BOARD TO AN ADVISORY COUNCIL

Governor: Delete statutory language creating the Natural Resources Board. Instead, specify the Department of Natural Resources (DNR) is under the direction and supervision of the Secretary of DNR and the Department is the body through which all governmental agencies and nongovernmental agencies may coordinate their policies, plans, and activities with regard to Wisconsin outdoor recreation resources. Further, create a seven-member Natural Resources Council (membership requirements would remain the same as the current law Natural Resources Board membership requirements). Specify member terms are six years (rather than staggered six year terms under current law). In addition, specify that the individuals who are members of the Natural Resources Board on the day before the effective date of the budget act are the initial members of the Natural Resources Council and initial members serve terms ending on July 1 of the year in which their term on the Board would have expired. Delete statutory references to "Natural Resources Board" and replace them with "Secretary" or "Department" as applicable [for example, the bill would specify that the Conservation Congress serve in an advisory capacity to the Secretary of DNR (rather than to the Natural Resources Board) on all matters under the jurisdiction of the Secretary (rather than the Board)]. In addition, delete members of the Natural Resources Board from the exemption from liability under s. 29.944 of the statutes and from visitorial powers of the Department under s. 281.96 of the statutes (due to the fact that the Council would not have regulatory authority or official powers).

Under current law, the statutes generally specify board-directed departments are to have advisory, policy-making and regulatory authorities vested in the board, while the secretary is to hold administrative powers. The Department of Natural Resources, however, is created “under the direction and supervision” of the Natural Resources Board, while the DNR Secretary, in whom administrative powers are vested, is nominated by the Governor and confirmed with the advice and consent of the Senate. The seven-person Natural Resources Board consists of three members from the territory north, and three members of the territory south, of a line running east and west through the south limits of the city of Stevens Point, and one member from the state at large. In addition, at least one member is required to have an agricultural background and at least three members generally must have held an annual hunting, fishing, or trapping license in at least seven of the previous 10 years.

Under the bill, many characteristics of the current Natural Resources Board would be retained by the Council, including the body's size, membership, and member terms (although the bill would specify that the Council members serve six-year terms rather than staggered six-year terms). However, the Council would have no policy-making role such as that under current law for approving proposed administrative rules (such as rules establishing hunting seasons). Rather, the Council would advise the DNR Secretary on making and implementing policy. Council members are reimbursed for their actual and necessary expenses incurred in the performance of their duties, but are not otherwise compensated for their services. The Council would not retain

any of the specified oversight or review of certain projects (such as land acquisitions or land sales) of the Natural Resources Board. For example, current law specifies that if a stewardship program land transaction includes a prohibition of a nature based outdoor recreational activity, four or more members of the Natural Resources Board are required to concur in the determination that the prohibition is necessary, in order for the transaction to be approved by the Board. Also, under current law, a determination to prohibit hunting, fishing, or trapping in a state park or a portion of a state park requires four or more members of the Natural Resources Board to concur in that determination. Under the bill, approval of stewardship land acquisitions with proposed prohibitions of access and determinations of prohibitions of hunting, fishing, or trapping in state parks would be made by the Secretary. Similarly, authority to sell certain state lands and the requirement to offer at least 10,000 acres of DNR lands outside project boundaries would be shifted from the Board to the Secretary.

Joint Finance: Delete provision as a non-fiscal policy item.

11. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that DNR lapse $3,008,000 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

12. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- $25,796,000
SEG	- 2,079,200
Total	- $27,875,200

Governor/Joint Finance: Delete $8,218,900 (-$7,522,700 GPR and -$696,200 SEG) in 2015-16 and $19,656,300 (-$18,273,300 GPR and -$1,383,000 SEG) in 2016-17 to reflect a reestimate of debt service payments on bonds issued for various DNR programs as shown in the following table:

	Adjusted Base	2015-16 Chg. To Base	2015-16 Estimate	2016-17 Chg. To Base	2016-17 Estimate	Total Biennial Change	
Stewardship and predecessors, dam safety	$76,307,000	-$1,371,300	$74,935,700	-$5,000,800	$71,306,200	-$6,372,100	GPR
Water pollution abatement	9,871,500	-4,970,800	4,900,700	-9,871,500	0	-14,842,300	GPR
Administrative facilities	5,428,500	-78,100	5,350,400	-171,900	5,256,600	-250,000	GPR
Combined sewer overflow	5,138,400	-1,209,700	3,928,700	-3,181,400	1,957,000	-4,391,100	GPR
Municipal clean drinking water grants	270,400	107,200	377,600	-47,700	222,700	59,500	GPR
Water pollution abatement	8,000,000	0	8,000,000	-550,800	7,449,200	-550,800	Environmental SEG
Rural nonpoint source grants-priority watershed program	7,965,700	-198,100	7,767,600	-1,055,400	6,910,300	-1,253,500	Environmental SEG
Administrative facilities	5,058,100	-148,400	4,909,700	131,600	5,189,700	-16,800	Conservation SEG
Remedial action	3,385,300	-108,000	3,277,300	-275,700	3,109,600	-383,700	Environmental SEG
Urban nonpoint source and municipal flood control grants	3,193,800	-61,000	3,132,800	-41,300	3,152,500	-102,300	Environmental SEG
Contaminated sediment cleanup	1,786,400	-61,900	1,724,500	318,100	2,104,500	256,200	Environmental SEG
Rural nonpoint source grants-targeted runoff management	1,525,000	-1,200	1,523,800	197,400	1,722,400	196,200	Environmental SEG
Administrative facilities	883,700	-78,900	804,800	-73,200	810,500	-152,100	Environmental SEG
Dam repair and removal	543,600	-38,500	505,100	-17,400	526,200	-55,900	Conservation SEG
Land acquisition	16,500	-200	16,300	-16,300	200	-16,500	Conservation SEG
Total	$129,373,900	-$8,218,900	$121,155,000	-$19,656,300	$109,717,600	-$27,875,200	

13. AIDS IN LIEU OF TAXES REESTIMATE [LFB Paper 155]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,806,600	- $2,874,100	- $1,067,500
SEG	0	2,917,500	2,917,500
Total	$1,806,600	$43,400	$1,850,000

Governor: Provide $678,300 GPR in 2015-16 and $1,128,300 GPR in 2016-17 to reflect estimated aids in lieu of property tax payments. Total payments for aids in lieu of property taxes primarily related to lands acquired since 1992 are estimated at $14.3 million in 2015-16 and $14.8 million in 2016-17. This includes $5,470,000 annually from forestry account SEG, while the remainder is paid from a sum sufficient GPR appropriation.

Since 1992, when DNR acquires land, the Department pays aids in lieu of property taxes on the land to the municipality (city, village, or town) in which the land is located under a formula generally intended to provide an amount similar to the property tax that would have been due on the property at the time it was purchased, adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements in the taxation district. The municipality then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Aids in lieu of property taxes are paid on property beginning for the tax year after it was purchased.

Joint Finance: Restore $21,700 GPR annually deleted in error from the DNR aids in lieu of taxes appropriation related to payments in lieu of taxes by the Board of Commissioners of Public Lands (BCPL) for land purchased from DNR.

In addition specify that, in fiscal year 2015-16, 45% of payments of aids in lieu of taxes (for lands acquired after 1991) be made from the forestry account of the conservation fund, and the remainder from GPR. Beginning in fiscal year 2016-17, 50% of payments of aids in lieu of taxes would be made from the forestry account with 50% from GPR. Provide $987,500 forestry SEG in fiscal year 2015-16 and $1,930,000 forestry SEG in fiscal year 2016-17 and delete the same amount of GPR in each year to reestimate the appropriations for payments of aids in lieu of taxes.

14. PROGRAM REVENUE REESTIMATE

PR	- $52,200

Governor/Joint Finance: Delete $26,100 annually in a program revenue appropriation for all moneys received as environmental impact statement fees related to electric power generating projects. The administration indicates no fees have been received for at least five years. The appropriation would be budgeted at $0 annually beginning in 2015-16.

15. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$0	- 2.00	- $314,800	0.00	- $314,800	- 2.00
SEG	- 359,800	- 7.00	- 889,000	0.00	- 1,248,800	- 7.00
Total	- $359,800	- 9.00	-$1,203,800	0.00	- $1,563,600	- 9.00

Governor: Delete 7.0 positions (6.0 communications specialist- advanced and 1.0 natural resources educator-advanced) identified by the administration as being generally related to marketing or communications. Associated funding ($157,400 FED and $444,500 SEG annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services. In addition, delete $179,900 SEG annually and 2.0 communications specialists-advanced positions.

Program	Title	FTE	Annual Reduction	Fund Source
Office of Marketing				
Customer Service and Licensing	Communications Specialist- Advanced	-1.00		FED
Air Management	Communications Specialist- Advanced	-1.00		FED
Communication and Education	Communications Specialist- Advanced	-4.00		Conservation Fund SEG
Communication and Education	Natural Resources Educator- Advanced	-1.00		Conservation Fund SEG
Subtotal		-7.00		
Additional Communications Reductions				
Communication and Education	Communications Specialist- Advanced	-1.00	-$92,700	Conservation Fund SEG
Law Enforcement	Communications Specialist- Advanced	-1.00	-87,200	Conservation Fund SEG
Subtotal		-2.00	-179,900	
Total		-9.00	-$179,900	

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting funding associated with the remaining seven positions, rather than reallocating funding to supplies and services.

16. TRANSFER VACANT POSITION TO DEPARTMENT OF ADMINISTRATION FOR INFORMATION TECHNOLOGY PROCUREMENT [LFB Paper 113]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $201,000	- 1.00	$201,000	1.00	0.00	0.00

Governor: Transfer 1.0 vacant information services comprehensive consultant position to the Department of Administration for strengthening information technology and services procurement. Delete $100,500 annually from the Department's geographic information systems operations- program revenue services appropriation associated with the position.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

17. ATTACH LOWER WISCONSIN STATE RIVERWAY BOARD AND KICKAPOO VALLEY RESERVE TO DNR [LFB Paper 625]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$448,800	1.25	- $448,800	- 1.25	$0	0.00
SEG	1,395,200	2.75	- 1,395,200	- 2.75	0	0.00
Total	$1,844,000	4.00	- $1,844,000	- 4.00	$0	0.00

Governor: Attach the Lower Wisconsin State Riverway Board (LWSRB) and the Kickapoo Valley Reserve (KVR) Management Board to DNR, rather than the Department of Tourism, for administrative purposes. Transfer appropriations for the Kickapoo Valley Reserve from Tourism to DNR, including $697,600 forestry SEG annually with 2.75 positions and $224,400 PR with 1.25 positions.

Appropriation	Fund Source	Annual Funding	Positions
Program services and operations	PR	$157,800	1.00
Law enforcement services	PR	66,600	0.25
Gifts and grants	PR	0	0.00
Federal funds	FED	0	0.00
General program operations	SEG	417,600	2.75
Aids in lieu of property taxes	SEG	280,000	0.00
Total		$922,000	4.00

In addition to the funding and position transfers, the bill includes standard directives: (a) transferring all LWSRB and KVR assets, liabilities, tangible personal property, and current contracts from Tourism to DNR; and (b) providing for the transfer of incumbent KVR employees, and preserving all rights and statutes employees may have earned prior to transfer. (No language regarding employees of the LWSRB is included, as the agency and its two staff would continue to be budgeted separately from DNR, while KVR appropriations would be transferred from a separate program under Tourism and incorporated into the DNR land and forestry program budget schedule.) The transfers would take effect on the bill's effective date.

Joint Finance: Delete the provision transferring the KVR, which would remain administratively attached to Tourism. Additionally, specify KVR is to be budgeted as a separate agency, and transfer KVR appropriations to a newly created s. 20.385 of the statutes.

The administrative attachment of the LWSRB to DNR would be retained. However, specify DNR is to process and forward personnel and biennial budget requests of the LWSRB without change, except as requested or concurred in by the LWSRB.

Additional information on the transfers is available in the entries under the Kickapoo Reserve Management Board, the Lower Wisconsin State Riverway Board, and Tourism.

18. ELIMINATE GRANTS TO NONPROFIT CONSERVATION ORGANIZATIONS

[LFB Papers 454 and 395**]**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $45,600	$0	- $45,600
SEG	- 2,271,000	2,041,800	- 229,200
Total	- $2,316,600	$2,041,800	- $274,800

Governor: Repeal an obsolete reference to the seven annual installments of $400,000 that were made from 2005-06 through 2011-12 from the recreational boating project aids appropriation to the Fox River Navigational System Authority.

Under current law, there are several Department of Natural Resources (DNR) grants statutorily directed to non-profit conservation organizations (NCOs) primarily using the segregated conservation fund. These grants have often been provided to NCOs to assist the Department or other NCOs for a variety of conservation-related efforts. The bill would delete the following items, as shown in the table at the end of this entry.

Sporting Heritage. Under 2013 Act 20, DNR is required to provide a Wisconsin non-profit organization established in Wisconsin for outdoor education, recruitment, and retention of sportsmen and sportswomen a grant of $500,000 during the 2013-15 biennium, including providing $200,000 GPR on a one-time basis in 2013-14, and $300,000 from an unspecified existing source in 2014-15. Each subsequent biennium (beginning with the 2015-17 biennium), DNR must provide a grant of $450,000 from an unspecified source, with the recipient required to provide $150,000 in matching funds.

Great Lakes Timber Professionals Association and Wisconsin County Forests Association. 2013 Act 20 also directs DNR to provide a grant of $300,000 in fiscal year 2013-14 and $300,000 in fiscal year 2014-15 in one-time funding from the forestry account of the conservation fund to the Great Lakes Timber Professionals Association (GLTPA) and the Wisconsin County Forests Association (WCFA) for a comprehensive study of DNR forestry practices and forest fire prevention practices. While no funding would be provided in 2015-17 under the Act 20 provision, the requirement that a report be prepared on the results of the study would be repealed. Currently, the report would be submitted to DNR, the Council on Forestry and the appropriate standing committees of the Legislature.

National Off-Highway Vehicle Insurance & Services Group (NOHVIS). The all-terrain vehicle (ATV) safety enhancement grant program was created under 2001 Act 16. Available funding is awarded in the form of a grant to a non-profit organization. The statutes require that the organization be a nonstock corporation organized in Wisconsin that promotes the operation of ATVs in a manner that is safe and responsible, that does not harm the environment, and that does not conflict with the laws, rules, and departmental polices that relate to the operation of ATVs. No match is required. Each year, the grant has been provided to the National Off-Highway Vehicle Insurance Services Group, Inc.

Wisconsin Lakes. Under the lake protection grant program, since fiscal year 1998-99, DNR

has primarily awarded one lake classification technical assistance contract for $200,000 water resources account SEG annually to Wisconsin Lakes.

Great Lakes Timber Professionals Association- Master Loggers and Logger Safety. Beginning in 2006-07 funding has been provided for grants of up to 50% of the cost of certification for individuals pursuing master logger certification through the Great Lakes Timber Professionals Association (GLTPA) (formerly the Wisconsin Professional Loggers Association, which merged with the GLTPA in 2011), and since 2009 Act 28, grants for up to 50% of the cost of receiving safety training. Reimbursement is provided to GLTPA for up to 50% of eligible certification or training costs.

Gathering Waters, Inc. Annually since 1996-97, DNR has provided a grant to a Wisconsin-based non-stock, nonprofit corporation. The nonprofit conservation organization [as described in section 501(c)(3) or (4) of the Internal Revenue Code (IRC)] must meet all of the following requirements to be eligible for the grant: (a) have an exemption from the federal income tax; (b) provide support to nonprofit conservation organizations (NCOs); (c) have a board of directors that has a majority of members who are representatives of NCOs; and (d) provide $25,000 to be used with the grant and submit an annual report. The grant was awarded to Gathering Waters, Inc. beginning in 1996-97 (the group has received the grant every year since).

Natural Resources Foundation. Funding was provided beginning in 2000-01, split-funded evenly between the forestry and water resources account of the conservation fund, for a non-stock, nonprofit corporation that meets the following requirements: (a) the criteria under section 501(c)(3) or (4) of the IRC; (b) is organized in the state; (c) is exempt from taxation under section 501 of the IRC; and (d) is created to accept and utilize private contributions made to protect and enhance the state's natural resources. No match is statutorily required. In each year, the grant has been awarded to the Natural Resources Foundation of Wisconsin.

Urban Forest Protection. Since 1999, forestry account funding is provided to a federally tax-exempt non-stock, nonprofit corporation as described in section 501(c)(3) or (4) of the IRC and organized for urban forest and water resource protection and urban open space purposes. To be eligible to receive the grant the corporation must provide $25,000 in matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. In fiscal years 2007-08 through fiscal year 2012-13, the grant was awarded to the River Revitalization Foundation (of Milwaukee). In fiscal year 2013-14, the grant was awarded to the Baird Creek Preservation Foundation (Green Bay).

Ice Age Trail Alliance. The forestry account also supports an annual grant to a federally tax-exempt non-stock, nonprofit corporation as described in section 501(c)(3) or (4) of the IRC and organized for the purposes of establishing, maintaining, and promoting the Ice Age Trail. The corporation must provide $25,000 in matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. The grant has been awarded to the Ice Age Trail Alliance (formerly the Ice Age Park and Trail Foundation) each year.

River Alliance of Wisconsin. The 1999-01 biennial budget provided funds for one or more contracts to federally tax-exempt non-stock, nonprofit corporations as described in section

501(c)(3) or (4) of the IRC that provide organizational and technical assistance to community-based river protection groups. The corporation is required to contribute $1 for each $3 in state grant funds. Each year, one contract has been awarded to the River Alliance of Wisconsin.

County Forests Association. 2007 Act 20 expanded the eligible uses of county forest administrator grants to include up to 50% of a county's dues to a nonprofit organization that provides leadership, counsel, and continuity to a county forest administrator and their respective forestry committee and also functions as an organizational liaison to DNR. Total grant awards may not exceed $50,000 annually. Since fiscal year 2007-08, $50,000 forestry SEG annually has been provided to counties for dues paid to the Wisconsin County Forests Association (WCFA). Under the bill, county forest administrator grants could no longer be used for dues to the WCFA.

Wild Rivers Interpretive Center. Since 2007-08, DNR has been directed to provide a GPR grant annually to the Florence Wild Rivers Interpretive Center to be used for park and recreational uses, forestry education, and tourist information provided by the center and for its operational costs. No match is specified.

Northern Great Lakes Visitor Center - Historical Society. While not budgeted in DNR, since 1997 forestry account SEG has been provided to the State Historical Society for 1.0 position for interpretive programming at the Northern Great Lakes Visitor Center near Ashland in Bayfield County. The bill would delete this support. [See "Historical Society."]

Joint Finance: Adopt the Governor's recommendations to repeal the obsolete reference to the payments from the recreational boating project aids appropriation to the Fox River Navigational System Authority and to delete the Sporting Heritage grant.

Restore $297,000 all-terrain vehicle account SEG annually for the National Off-Highway Vehicle Insurance & Services Group grant. In addition, restore $50,000 forestry SEG annually to be used for up to 50% of the costs of dues to a county forest organization (Wisconsin County Forests Association) and restore the county administrator grant program language. Further, provide $22,800 conservation fund SEG annually in a customer service and licensing appropriation for the Wild Rivers Interpretive Center (rather than GPR funding currently). In addition, restore $75,000 forestry SEG annually for the Great Lakes Timber Professionals - Master Logger program. In addition, clarify that upon completion of the timber study authorized under 2013 Act 20, the GLTPA and the WCFA are required to submit a report of the study results to DNR, the Wisconsin Council on Forestry, and the appropriate standing committees of the Legislature (the administration submitted an errata stating that the reporting requirement was eliminated in error).

Further, restore approximately 90% of funding for the following grants to non-profit conservation organizations: (a) Wisconsin Lakes ($180,000 water resources SEG annually); (b) Gathering Waters ($93,400 water resources account and $31,100 forestry account annually); (c) Natural Resources Foundation ($75,700 annually split-funded evenly from the water resources and forestry account); (d) Urban Forest Protection ($66,800 forestry SEG annually); (e) Ice Age Trail Alliance ($66,800 forestry SEG annually); and (f) River Alliance of Wisconsin ($62,300 water resources SEG annually). In addition, $61,100 forestry SEG annually was restored to the State Historical Society for the Northern Great Lakes Center [See "Historical Society"]. The

following table shows the Governor's recommendation and Joint Finance modifications for NCO grants.

Grant Recipient	Enabling Statute	Base	Governor Annual	Jt. Finance Annual	Source
Sporting Heritage	s. 29,605	$0	$0	$0	GPR/unspecified
Great Lakes Timber Professionals Assoc. and Wisconsin County Forests Assoc. (Timber Study)	s. 26.105	0	0	0	Forestry SEG
National Off-Highway Vehicle Insurance and Services Group	s. 23.33(5m)	297,000	0	297,000	ATV SEG
Wisconsin Lakes	s. 281.69(14)	200,000	0	180,000	Water Resources SEG
Great Lakes Timber Professionals - Association - Master Loggers	s. 26.39(7)	148,500	0	75,000	Forestry SEG
Gathering Waters, Inc.	s. 23.0955	138,300	0	124,500	Water Resources/Forestry SEG
Natural Resources Foundation	s. 23.0956	84,100	0	75,700	Water Resources/Forestry SEG
Urban Forest Protection	s. 23.0957	74,200	0	66,800	Forestry SEG
Ice Age Trail Alliance	s. 23.295	74,200	0	66,800	Forestry SEG
River Alliance of Wisconsin	s. 281.72	69,200	0	62,300	Water Resources SEG
County Forests Association	s. 28.11(5m)	50,000	0	50,000	Forestry SEG
Wild Rivers Interpretive Center	s. 30.255	22,800	0	22,800	Conservation fund SEG**
Subtotal DNR		$1,158,300	$0	$1,020,900	
Northern Great Lakes Center-Historical Society		50,900	0	50,900	Forestry SEG
Total		$1,209,200	$0	$1,071,800	

*The sporting heritage grant is to be from existing funds and is not expected to be awarded during the 2015-17 biennium under current law, and the GLTPA and WCFA timber study is one-time funding ($300,000) in 2014-15 and removed as a standard budget adjustment for 2015-17.

**Base funding is GPR, converted to conservation fund SEG under Joint Finance.

19. SOUTHEASTERN WISCONSIN FOX RIVER COMMISSION

Joint Finance: Direct DNR to provide a grant for $200,000 SEG in 2015-16 from the recreational boating aids grant program to the Southeastern Wisconsin Fox River Commission to support ongoing activities consistent with the organization's implementation plan, including: (a) initiating and coordinating surveys and research projects relating to the Southeastern Wisconsin Fox River Basin; (b) acting as a liaison between federal, state, and local agencies, and other organizations involved in protecting, rehabilitating, and managing water resources; and (c) providing public information relating to the Southeastern Wisconsin Fox River.

The Southeastern Wisconsin Fox River Commission was created in 1997 in order to address water resource concerns within the river system. The $200,000 provided under Joint Finance would bring to $1,675,000 the total amount provided to the Commission from the water resources account (motorboat gas tax) since its creation.

Under the recreational boating aids grant program, DNR provides grants from the water resources account to municipalities, counties, town sanitary districts, public inland lake

protection and rehabilitation districts, qualified lake associations, the Milwaukee River Revitalization Council, and the Lower Wisconsin State Riverway Board generally for up to 50% of the costs of developing recreational boating facilities approved by the Waterways Commission. Annually, $400,000 water resources SEG and $2.5 million in stewardship program bonding is available for recreational boating aids.

20. PAYMENTS TO STATE LAB OF HYGIENE [LFB Paper 686]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,662,200	- $2,662,200	$0

Governor: Provide $2,662,200 GPR beginning in 2016-17 for payments to the State Laboratory of Hygiene and require the State Laboratory of Hygiene to charge DNR a fee sufficient to reimburse the laboratory for the costs of providing laboratory services.

Under current law, general fund revenues are provided to the UW State Laboratory of Hygiene for lab services provided to DNR under a memorandum of understanding. The bill would transfer the State Laboratory of Hygiene from the UW System to the Department of Agriculture, Trade, and Consumer Protection. The bill would delete GPR funding relating to the State Laboratory of Hygiene from the UW System and provide funding in DNR in a newly created GPR sum certain appropriation for DATCP charges for lab tests.

Joint Finance: Delete provision.

21. ELIMINATE CERTAIN DNR BOARDS AND COUNCILS

Joint Finance: Eliminate the Managed Forest Land (MFL) Board and the Milwaukee River Revitalization Council within DNR. In its 2015-17 biennial budget request, DOA proposed the elimination of certain boards and councils, which had not met for at least one year, from September, 2013, to September, 2014. [See Administration -- General Agency Provisions].

Under current law, the MFL Board consists of the chief state forester or his or her designee and the following members appointed for three-year terms: (a) one member appointed from a list of five nominees submitted by the Wisconsin Counties Association (who serves as chairperson); (b) one member appointed from a list of five nominees submitted by the Wisconsin Towns Association; (c) one member appointed from a list of five nominees submitted by an association that represents the interests of counties that have county forests within their boundaries; and (d) one member appointed from a list of five nominees submitted by the council on forestry. The MFL Board is responsible for awarding grants under the forestry outdoor activities grant program. The program may provide grants to cities, villages, towns, counties, non-profit conservation organizations, and to DNR for the purpose of acquiring easements or purchasing land for approved outdoor recreational activities including hunting, fishing, hiking, sightseeing, cross-country skiing, and other purposes compatible with these purposes. 2009 Act 28 eliminated all ongoing funding for the program (annual funding of $1 million) and lapsed unspent funds of

$1 million from the program but the statutory authority for the program remains.

Under current law, the Milwaukee River Revitalization Council consists of the Secretary of DNR or his or her designee, the Secretary of Tourism or his or her designee, and eleven members appointed by the Governor for three-year terms (any member absent from four consecutive meetings vacates their position). The statutes require that at least one council member must represent each of the statutorily identified priority watersheds in the Milwaukee River basin. Council duties include advising the Department, the Governor, and the Legislature on matters relating to the environmental, recreational and economic revitalization of the Milwaukee River basin and is required to assist the Department to: (a) develop, provide and disseminate information on the environmental, recreational, economic, and developmental interests of the Milwaukee River basin; (b) assist local governmental agencies during the planning and implementation of specific programs and activities; (c) develop proposals to maximize the use of available local, state, federal and private resources to further the revitalization of the Milwaukee River basin; d develop a Milwaukee River riverway plan that allows and encourages multiple recreational entrepreneurial and cultural activities to take place near the Milwaukee River; and (e) establish a mechanism that allows the plan to be implemented in an aggressive and deliberate fashion. In addition, the Council may do any of the following: (a) work directly with municipalities located in the Milwaukee River basin to develop a single comprehensive land use plan for the Milwaukee River basin; (b) directly advise and make recommendations to municipalities that have jurisdiction over land in the Milwaukee River basin to adopt ordinances or regulations to preserve the environmental, recreational and scenic values of the Milwaukee River basin; (c) directly develop, provide and disseminate information to the public to increase local awareness of recreational and environmental issues affecting the Milwaukee River basin; (d) directly inform or advise municipalities that have jurisdiction over land located outside the Milwaukee River basin as to the impact the development of the land may have on the Milwaukee River basin; and (e) submit a report on activities affecting land and water use in the Milwaukee River basin to the chief clerk of each house of the Legislature, for distribution to the appropriate standing committees. The Council is also eligible to receive grants for recreational boating projects.

Parks and Forestry

1. PARKS FUNDING AND FEE INCREASE [LFB Paper 461]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG-REV	$3,780,000		$3,906,300		$7,686,300	
GPR	- $9,337,600	- 44.68	$0	0.00	- $9,337,600	- 44.68
SEG	6,449,000	44.68	2,888,600	0.00	9,337,600	44.68
Total	- $2,888,600	0.00	$2,888,600	0.00	$0	0.00

Governor: Delete $4,668,800 GPR annually and 44.68 positions for operation of state parks and recreation areas and provide $3,224,500 parks account SEG annually and 44.68 positions. In addition, increase annual state park and forest vehicle admission fees by $3, and nightly state park and forest camping fees by $2 as shown in the following table.

State Park and Forest Admission and Camping Fees

Vehicle Admissions	Current Law	Governor	Change
Resident			
Annual	$25.00	$28.00	$3
Additional Annual	12.50	15.50	3
Daily Auto	7.00	7.00	0
Daily Bus	10.00	10.00	0
Senior Annual	10.00	13.00	3
Senior Daily	3.00	3.00	0
One Hour Admission	5.00	5.00	0
Nonresident			
Annual	$35.00	$38.00	$3
Additional Annual	17.50	20.50	3
Daily Auto	10.00	10.00	0
Daily Bus	14.00	14.00	0
One Hour Admission	5.00	5.00	0
Camping Fees*			
Resident, Per Night**	$12.00 - 15.00	$14.00 - $17.00	$2
Non-Resident, Per Night**	14.00 - 17.00	16.00 - 19.00	2

*DNR may charge additional fees based on campground amenities.

**The upper end of these ranges reflect $3 per night higher fees for camping at the following places: Big Bay State Park; Black River State Forest (select campgrounds); Devil's Lake State Park; Copper Falls State Park; Council Grounds State Park; Governor Dodge State Park; Hartman Creek State Park; High Cliff State Park; Kohler-Andrae State Park; Mirror Lake State Park; Newport State Park: Pattison State Park; Northern Highlands-American Legion SF (select campgrounds); Peninsula State Park; Point Beach State Forest; Potawatomi State Park; and Willow River State Park.

Parks account SEG revenues are generated primarily by motor vehicle admission fees to state parks and camping site fees. The bill would increase annual state parks vehicle admission fees by $3 and nightly state park and forest camping fees by $2 [while the base statutory nightly camping fees would be increased by $2 under the bill, the Department has authority under administrative rule to charge additional fees based on campground amenities (for example, $5 per night for electricity)]. The administration estimates the increased fees will generate approximately $1,890,000 ($815,000 from vehicle admission stickers and $1,075,000 from campsite fees) in annual increased revenues to the parks ($1,350,000) and forestry ($540,000) accounts beginning in fiscal year 2015-16.

1995 Act 27 eliminated the requirement that state park operations be funded equally from the parks account and the general fund. For 2014-15, approximately 28% of the state park $16.7 million budget for direct operations is GPR supported ($4.6 million) and approximately 72% is parks SEG-supported ($12.1 million). The bill would remove all GPR support for parks operations. The $1.4 million annual reduction in the parks operations budget under the bill would be related to supplies and services ($969,100), LTE salary and fringe benefits ($418,000), and permanent property ($57,200).

Joint Finance:

Funding and Report. Adopt the Governor's recommendation to delete GPR funding and positions for operation of state parks and recreation areas. However, provide an additional $1,444,300 parks SEG annually to restore overall base-level funding for state park and trail operations. Also, require DNR to study and prepare a report regarding potential additional sources of revenue for parks operations and maintenance. Require the study to include, at a minimum, revenue estimates for a program under which a person may voluntarily purchase a state park vehicle admission sticker when the person registers a vehicle with the Department of Transportation and revenue estimates for increased camping fees at state parks based on local market conditions or seasonal demand, the amenities or facilities offered by a park, or other features or conditions of a park. Require DNR to report the results of the study, and recommendations for closing any structural imbalance in the parks account, to the Governor, the Joint Committee on Finance, and the appropriate standing committees of the Legislature, by December 1, 2016.

Admission and Trail Pass Fees. Adopt the Governor's recommendation to increase annual state park and forest vehicle admission fees by $3, but specify that these fee increases be effective January 1, 2016. Further, increase resident and non-resident daily and bus admissions by $1. Specify that the Department issue a state trail pass for a fee of $5 for a daily and $25 for an annual state trail pass. Specify that the vehicle admission and trail pass fees be effective January 1, 2016.

Camping Fees and Campsite Electric Fee. Eliminate the references to Type "A", "B", and "C" campsites and specify that base fees for a campsite in Wisconsin be not less than $15 but not more than $20 per night for residents and not less than $19 but not more than $25 per night for nonresidents as determined by the Secretary of DNR. Specify that administrative rules are not required for action taken by the Department to implement these fees. In addition, specify that the

DNR Secretary may raise or lower the nightly camping rates by $5 above or below these ranges. Further, specify that the additional nightly camping fee for electricity be $10 (rather than the $5 currently specified in administrative rule).

Under Joint Finance, 2016-17 parks account revenues would be expected to total approximately $19.4 million while authorized expenditures would total approximately $21.2 million. The account would be expected to have an available balance of approximately $1.9 million on June 30, 2017. The following table shows state park and forest admission, trails, and camping fees under current law, the Governor's recommendation, and Joint Finance.

State Park and Forest Admission, Trails, and Camping Fees

	Current Law	Governor	Joint Finance	Joint Finance Change to Current Law	2015-16 Increase	2016-17 Increase
State Park Vehicle Admissions						
Resident						
Annual	$25.00	$28.00	$28.00	$ 3.00	$175,000	$350,000
Additional Annual	12.50	15.50	15.50	3.00	48,000	95,000
Daily Auto	7.00	7.00	8.00	1.00	75,000	150,000
Daily Bus	10.00	10.00	11.00	1.00	200	400
Senior Annual	10.00	13.00	13.00	3.00	37,000	75,000
Senior Daily	3.00	3.00	3.00	--	--	--
Non-Resident						
Annual	$35.00	$38.00	$38.00	$3.00	$37,500	$75,000
Additional Annual	17.50	20.50	20.50	3.00	2,500	5,000
Daily Auto	10.00	10.00	11.00	1.00	63,000	125,000
Daily Bus	14.00	14.00	15.00	1.00	100	100
Trail Pass*						
Annual	$20.00	$20.00	$25.00	$ 5.00	$147,000	$172,000
Daily	4.00	4.00	5.00	1.00	43,000	43,000
Subtotal Admission and Trail Pass Revenues					$628,300	$1,090,500
State Park and Forest Camping Fees						
Resident, Per Night**	$12.00 or 15.00	$14.00 or $17.00	$15 to $20	$3 to $8	**	**
Non-Resident, Per Night**	14.00 or 17.00	16.00 or 19.00	$19 to $25	$5 to $11	**	**
Subtotal Base Camping Increase					1,265,000	1,350,000
Additional Camping Fees						
Electricity*	5.00	5.00	10.00	5.00	625,000	665,000
Water View	3.00	3.00	3.00	0.00		
Reservation Fee	9.70	9.70	9.70	0.00		
Total Parks Revenue Joint Finance					$2,518,300	$3,105,500
Governor's Bill					-1,350,000	-1,350,000
Net Revenue Increase (Change to Governor)					$1,168,300	$1,755,500
Total Forestry Revenue Joint Finance					$917,500	$1,145,000
Governor's Bill					-540,000	-540,000
Net Revenue Increase (Change to Governor)					$377,500	$605,000

* The state trail pass fees and campsite nightly fee for electricity would be set in statute rather than rule.

** The upper end of these ranges under current law reflects $3 higher fees for camping at the following places: Big Bay State Park; Black River State Forest (select campgrounds); Devil's Lake State Park; Copper Falls State Park; Council Grounds State Park; Governor Dodge State Park; Hartman Creek State Park; High Cliff State Park; Kohler-Andrae State Park; Mirror Lake State Park; Newport State Park: Pattison State Park; Northern Highlands-American Legion SF (select campgrounds); Peninsula State Park; Point Beach State Forest; Potawatomi State Park; and Willow River State Park.

Under current law, the Department is authorized to establish a state trail pass fee through administrative rule. Currently an annual trail pass is $20 and a daily trail pass is $4. The bill would statutorily specify that DNR issue an annual state trail pass for a fee of $25 and a daily pass for a fee of $5. In total, these admission fee increases would be expected to generate increased revenues to the parks account of approximately $628,300 in fiscal year 2015-16, and $1,090,500 in fiscal year 2016-17 (the Governor's bill included an estimated increase of $600,000 annually in increased admission fee revenues).

Under current law, campgrounds are classified in statute as being type "A", type "B", or type "C". However, these classifications are not defined in statute and have not been utilized by the Department in recent years. The bill would delete the classifications and specify a range of nightly camping fees for resident and non-resident camping, to be determined by the Secretary, as shown in the table. Action taken by DNR to implement the camping fees within the specified range would not require the Department to promulgate administrative rules.

Currently, the statutes offer the Department flexibility with regard to charging additional camping fees beyond the base fees established in statute. Section 27.01(10)(h) of the statutes specifies that DNR determine which state campgrounds are located in areas where local market conditions justify the establishment of higher camping fees and promulgate rules to establish such fees. The Department established this fee in s. NR.45.12(2)(b)(5) of the administrative code as a $3 fee per night for camping at campgrounds classified as "high demand", and over time the Department has added many properties and campgrounds to the list of those classified as high demand so that there are now very few properties and/or sites that are not classified as high demand. Additionally, the Department is currently statutorily authorized to waive camping fees, charge additional camping fees, or charge special fees instead of camping fees for certain classes of persons or groups, certain areas, certain types of camping, or times of the year and for admission to special events. The Department currently utilizes this authority for several purposes including charging a $3 fee for water view campsites, a $5 fee for electricity, and certain other fees for group camping. Other provisions authorize the Department to charge an additional fee of $1 for each pet accompanying a camping party and an additional $1 per night per camping party for a Friday, Saturday, or Sunday night. However, the Department has not utilized the pet or weekend authority. Under Joint Finance, the authority to charge these additional fees would remain.

The Department indicates they would not initially charge camping fees beyond the range specified in statute ($15 to $20 resident, $19 to $25 non-resident), with the exception of the $3 water view (which would remain in administrative rule) and the $10 electric fee (which would be specified in statute). The Department indicates that nightly fees would vary within the specified range depending on the location of the park, demand, and season. DNR estimates the nightly camping fee increases under the provision would generate approximately $1,265,000 in fiscal year 2015-16 and $1,350,000 in fiscal year 2016-17 (the original bill included estimated increased nightly camping fee revenues of $750,000 annually). In addition, the increase in the electric fee from $5 to $10 would be expected to generate approximately $625,000 in fiscal year 2015-16 and $665,000 in fiscal year 2016-17.

Overall, Joint Finance action would be expected to generate increased revenues to the

parks account of approximately $2.5 million in 2015-16 and $3.1 million in 2016-17 as shown in the table (compared to $1.35 million annually under the original bill) and increased revenues to the forestry account of approximately $377,500 in 2015-16 and $605,000 in 2016-17. It should be noted that the increased revenues from the proposed ranges in resident and non-resident nightly camping fees shown in the table are based on DNR projected revenues given the Department's initial assessment of the fees the Department would expect to charge at state park and forest properties depending on the location of the park or forest, demand, and season.

2. STATE PARK, FOREST, AND RIVERWAY ROADS [LFB Papers 460 and 462]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $4,000,000	$0	- $4,000,000
SEG	0	4,000,000	4,000,000
GPR	- $4,000,000	$4,000,000	$0

Governor: Delete $2,000,000 GPR annually for state park, forest, and riverway road maintenance. (The statutory authority for the GPR appropriation would remain; however no GPR funding would be provided during the 2015-17 biennium.)

Under current law, $2,000,000 GPR annually is provided in a continuing appropriation for state park and forest roads and roads in the lower Wisconsin state riverway. The Department is currently required to expend not less than one-third of the amounts from this appropriation in each fiscal year for the renovation, marking, and maintenance of a town or county highway located within the boundaries of a state park, state forest, or other property under the jurisdiction of DNR or for the renovation, marking, and maintenance of roads which DNR certifies are utilized by a substantial number of visitors to state parks, state forests, or other DNR properties. The bill would delete ongoing funding from the appropriation.

Joint Finance: Provide $2,000,000 forestry SEG annually in a new continuing appropriation and specify that funds from this appropriation, in addition to funds from the current law GPR appropriation (budgeted at $0 GPR), may be utilized for state park, forest, and riverway road maintenance.

3. PARKS AND SOUTHERN FORESTS OPERATIONS [LFB Paper 463]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$300,000	- $3,000	$297,000

Governor: Provide $150,000 annually for limited-term employees, utilities, fleet expenses, and supplies to operate several new facilities and campgrounds at 14 state parks, four state recreation areas, three southern state forests and one state trail as follows [a technical correction is needed to provide the correct funding split between the parks account ($115,000 annually) and forestry account ($35,000 annually)]:

Joint Finance: Adopt the Governor's recommendation, as corrected. However, delete $3,000 parks SEG in 2015-16 related to a delayed toilet/shower building project at Wyalusing State Park.

Park/Recreation Area	Facilities	Annual Amount
Amnicon Falls	Park Entrance & Visitor Station	$5,000
Big Foot Beach	Toilet/Shower Building	3,000
Blue Mound	Gathering Center	5,000
	Park Entrance & Visitor Station	5,000
Buckhorn	New Campground (60 Units)	10,000
	2 Vault Toilets	5,000
	Toilet/Shower Building	3,000
	Dump Station	2,500
Chippewa Moraine State Recreation Area	Maintenance	3,000
Devil's Lake	3 Vault Toilets	7,500
	2 Toilet/Shower Buildings	6,000
Governor Thompson	Park Entrance & Visitor Station	5,000
	Maintenance	3,000
	Vault Toilet	2,500
Harrington Beach	Vault Toilet	2,500
	Accessible Cabin	1,500
Kettle Moraine State Forest - Lapham Peak Unit*	Snowmaking Equipment	5,000
	Lighted Ski Track	2,500
Kettle Moraine State Forest- Northern Unit*	Vault Toilet	2,500
Kettle Moraine State Forest- Southern Unit*	Boat Launch	5,000
	2 Toilet Buildings	4,000
	New Campsites	1,000
Lake Kegonsa	Park Entrance & Visitor Station	5,000
Lake Michigan Water Trail	Maintenance	3,000
Menominee River State Recreation Area	Maintenance	3,000
Mirror Lake	Dump Station	2,500
Peninsula	Boat Launch/Shore Fishing	3,000
Rib Mountain	Gathering Center	5,000
	Park Entrance & Visitor Station	5,000
Richard Bong State Recreation Area*	2 Vault Toilets	5,000
	Toilet/Shower Building	3,000
	ATV Trail	3,000
	Toilet Building	2,000
	Wolf Lake Dam	1,000
	Rocket Launch Facility	1,000
Sauk Prairie State Recreation Area	Maintenance	3,000
Straight Lake	Park Entrance & Visitor Station	5,000
	2 Vault Toilets	5,000
Willow River	Toilet/Shelter Building	3,000
Wyalusing	Toilet/Shower Building	3,000**
Total		$150,000

*Funded from the forestry account.

**2015-16 funding deleted by Joint Finance to reflect an expected delay in completion of the project.

4. PARKS AND SOUTHERN FORESTS UTILITIES COSTS

SEG	$360,800

Governor/Joint Finance: Provide $180,400 annually ($97,500 from parks and $82,900 from forestry) to support increased costs associated with fuel and utilities at newer state park, trail and southern state forest properties. Since fiscal year 2000, the Department has added multiple properties to the state park (and trail) and southern forest system including six new state park and southern forest properties (Cross Plains State Park, Glacial Heritage Area-Conservation Park, Straight Lake State Park, Menominee River State Recreational Area, Sauk Prairie State Recreational Area, and Kettle Moraine Springs State Forest- Mukwonago River Unit), as well as the Hank Aaron State Trail, 76 state Ice Age Trail Areas and new facilities at multiple properties. In addition, electrified campsites have been added at several parks and southern forests, which have increased utility costs (2009 Act 28 increased the cap on electrical state park campsites maintained by the Department from 25% to 30%). From 2007 to 2014, parks and southern forests utility and fuel expenditures increased by $304,000. Despite increased funding provided in the 2007-09 and 2009-11 biennial budgets, the Department expects a shortfall of $180,400 annually in utility and fuel costs for the parks and southern forest system properties.

5. PARKS AND SOUTHERN FORESTS GIS AND GPS

SEG	$200,000

Governor/Joint Finance: Provide $50,000 parks SEG and $50,000 forestry SEG annually for additional LTE staff and equipment to perform geographical information system (GIS) and global positioning system (GPS) activities. The data would to be used to determine property boundaries, enhance master planning efforts, map facilities, and plan future land management actions.

6. PARKS COMPUTERS

SEG	$94,800

Governor/Joint Finance: Provide $47,400 parks SEG in one-time funding in fiscal years 2015-16 and 2016-17 for the first two years of a four year master lease for the purchase of 37 tablet computers and associated equipment for parks law enforcement personnel. Current equipment is over five years old and has exceeded its warranty.

7. FORESTRY EQUIPMENT MASTER LEASES

SEG	$220,400

Governor/Joint Finance: Provide $110,200 forestry SEG in one-time funding in fiscal years 2015-16 and 2016-17 for the first two years of four-year master leases for the purchase of field data recorders for forestry staff and tablet computers for forestry law enforcement personnel. Funding includes $76,900 in each year for the purchase of 180 field data recorders and associated software for forestry staff to use to gather data electronically and input the data into existing databases. Currently, forestry staff utilize several different methods to collect field data. The recorders would provide a consistent method of data collection and management. Funding also includes $33,300 each year for the purchase of 26 tablets and associated equipment for forestry law enforcement personnel.

8. FOREST FIRE PROTECTION GRANT APPROPRIATION

Governor/Joint Finance: Convert the forest fire suppression (forest fire protection) forestry account grant appropriation under s. 20.370(5)(by) of the statutes from an annual to a biennial appropriation.

DNR may award grants for up to 50% of the costs of purchasing fire resistant clothing and fire suppression supplies, equipment, training, and vehicles. Funds are available to cities, villages, towns, counties and fire suppression organizations that enter into a written agreement to assist DNR in the suppression of forest fires when requested. Approximately $497,000 annually is currently available for the program ($170,000 SEG and $327,000 FED). Currently, as an annual appropriation, unencumbered SEG funds at the end of each fiscal year are lapsed to the balance of the forestry account. The bill would convert the SEG appropriation to biennial, where unencumbered funds at the end of the biennium would lapse to the balance of the forestry account.

9. URBAN FORESTRY GRANT ELIGIBILITY [LFB Paper 464]

Governor: Require DNR to award urban forestry grants to counties, cities, villages, towns, and nonprofit organizations for up to 50% of the cost of removing, saving, and replacing trees in urban areas that have been damaged by disease, infestation, or catastrophic storm events.

Under current law, the Department awards urban forestry grants to cities, villages, towns, counties, tribal governments and non-profit organizations for up to 50 percent of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. Under administrative rule, the minimum grant is $1,000 and the maximum grant is $25,000. DNR may also award grants under the urban forestry grant program to counties, cities, villages, towns, nonprofit organizations, and tribal governments for the costs of removing, saving, and replacing trees that have been damaged by catastrophic storm events in urban areas if the Governor has declared an emergency. No match is required for storm emergency grants.

The bill would limit urban forestry grants to counties, cities, villages, towns, and nonprofit organizations for up to 50% of the cost of removing, saving, and replacing trees in urban areas that have been damaged by disease, infestation, or catastrophic storm events.

Joint Finance: Delete provision.

10. RELOCATION OF DIVISION OF FORESTRY HEADQUARTERS PLAN

Governor/Joint Finance: Require the Department of Natural Resources to develop a plan to move the headquarters of the Division of Forestry from the City of Madison to a northern location in Wisconsin. Specify that the plan must provide, in detail, the costs of relocating the headquarters, a timeline for implementing the relocation, and a list of options for northern

locations in Wisconsin. Require the plan to be completed in time to be included in the DNR 2017-19 biennial budget request.

11. MANAGED FOREST LAW TIMBER CUTTING NOTICES [LFB Paper 465]

	Funding	Positions
SEG	- $649,000	- 4.00

Governor: Delete 4.0 positions and $324,500 forestry SEG annually. Further, specify that an owner who intends to cut merchantable timber on managed forest land (MFL) is not required to obtain approval from DNR if the owner is required under the terms of an approved management plan to cut merchantable timber and a cooperating forester provided the required notice of intent to cut to the Department. Also, specify that, if a cooperating forester submits the timber cutting notice, all cutting specified in the notice must begin within one year after the date on which the notice is filed. In addition, while not included in the bill, the administration indicates they have directed DNR to allow cooperating foresters to complete the natural heritage review inventory process required before timber harvests. DNR foresters currently perform this review.

Current law requires a landowner with land enrolled in the MFL program who intends to cut merchantable timber to file a notice of intent to cut the timber and request DNR approval of the proposed cutting. All cutting specified in the notice is required to begin within one year after the date the proposed cutting is approved. The bill would provide that, if the cutting is required under the terms of an MFL management plan, the owner is not required to obtain DNR approval of the cutting if the required notice of the intent to cut the timber is provided by a cooperating forester, and would require all cutting specified in that notice to begin within one year after the date on which the notice was filed. Under administrative rules, cooperating foresters must apply to DNR and, if approved, enter into a cooperating forester agreement with the Department. To qualify, cooperating foresters are required to have a bachelor's or higher degree in forestry from a school with an approved forestry curriculum and must complete at least 10 hours of DNR approved training annually.

Also, currently, prior to any land management activity, the Department reviews data from the natural heritage inventory to determine whether there may be any endangered or threatened species present for which an incidental take permit or other actions may be required (the natural heritage inventory program maintains data on the locations and status of rare species, natural communities and natural features throughout Wisconsin). For timber harvests, the review is currently performed by DNR foresters. The administration estimates that the shift of certain cutting notices and natural heritage inventory review prior to timber cutting from DNR foresters to cooperating foresters would result in a workload reduction of approximately 4.0 FTE.

Joint Finance: Adopt the Governor's recommendation. Further, specify that an owner who intends to cut merchantable timber on managed forest land (MFL) is not required to obtain approval from DNR if the owner is required under the terms of an approved management plan to cut merchantable timber and a cooperating forester or a forester accredited by the Society of American Foresters, Wisconsin Consulting Foresters, or Association of Consulting Foresters, provided the required notice of intent to cut to the Department.

In addition, specify that for land enrolled in the forest crop law (FCL) program, if the cutting notice is provided to DNR by a cooperating forester, or a forester accredited by the Society of American Foresters, Wisconsin Consulting Foresters, or Association of Consulting Foresters, DNR may not prescribe the amount of forest products to be removed, and if the Department finds that the cutting is inconsistent with sound forestry practices, the landowner is liable for double the severance (yield) tax on the timber harvested and subject to withdrawal from the FCL program. Also specify that all cutting specified in the notice must begin within one year after the date on which the notice is filed by an accredited forester.

12. MANAGED FOREST LAW CLOSED ACREAGE FEES [LFB Paper 460]

SEG	$2,000,000

Joint Finance: Require DNR to provide $1 million in fiscal year 2015-16 and $1 million in fiscal year 2016-17 in one-time funding from the forestry account to municipalities based on the acres of managed forest law land designated as closed. Specify that the taxation district or municipality in which the land is located retain 80% of the revenues and remit 20% of the fees to the county.

Under current law, a landowner has the option of designating a maximum of 160 acres per municipality as closed to public access if an additional fee is paid for each acre closed to public access (2003 Act 228 increased the amount of allowable closed acres from 80 to 160). Currently, for each acre of MFL land closed to the public (for land entered after 2004), the closed acreage fee is equal to 20% of the average statewide property tax per acre of property assessed as productive forest land (20% of the 2011-12 average of $42.70 per acre). The fee currently is $1.08 per acre for lands entered into the program between 1987 and 2004, and $8.54 per acre for lands entered after 2004 (for a total annual per acre fee of $10.68). The rates are adjusted every fifth year using a formula that accounts for changes in the average statewide property tax for undeveloped lands. Revenues from closed-acreage payments are currently deposited as general revenues to the forestry account.

13. MANAGED FOREST LAW GROUP CERTIFICATION OPT-IN

Joint Finance: Specify that if the Department establishes a group certification program under which land designated as managed forest land may be certified as meeting certain forest management standards, DNR may enroll MFL land in the program only if the owner of the MFL land affirmatively elects to have the land enrolled.

14. GOOD NEIGHBOR AUTHORITY

SEG	$395,000

Joint Finance: Provide $395,000 forestry SEG in fiscal year 2015-16 in general forestry operations funding for DNR contracts under the Good Neighbor Authority program. Specify that the Department may conduct certain forest management activities on federal land (national forests and other public lands administered by the U.S. Secretary of the Interior), as permitted by federal law, under a cooperative agreement between the DNR Secretary or the Governor and the

Secretary of the U.S. Department of Agriculture, including harvesting and selling timber, activities that promote artificial and natural forest regeneration, and other activities to restore or improve the health of forests and forest watersheds, including fish and wildlife habitat in those forests and watersheds. Action taken by DNR related to the administration or implementation of the cooperative agreement would not require the Department to promulgate administrative rules. In addition, specify that DNR may, as permitted by federal law, contract with a county, private forester, or private contractor for the purpose of conducting forest management activities on federal land under a cooperative agreement. Further, specify that DNR shall pay the initial costs of administering and implementing the cooperative agreement and contracts from the forestry account general forestry operations appropriation.

Place $355,000 forestry SEG in 2016-17 in the Joint Committee on Finance segregated funds general program supplementation appropriation. Further, require the Department to submit a report on activities supported by the initial funds to the Joint Committee on Finance before January 1, 2016. Specify that the report include a plan for the use of fiscal year 2016-17 funding. In addition, require the Department to submit to the Joint Committee on Finance before January 1, 2016, a written request to supplement the appropriation under s. 20.370 (1) (mv) for the 2016-17 fiscal year for the purpose of paying the initial costs of administering and implementing a Good Neighbor Authority cooperative agreement and any contracts entered into under the program. If the Co-chairpersons of Joint Finance do not notify the Department that the Committee has scheduled a meeting for the purpose of reviewing the request within 14 working days after the date on which the Department submits the request, the supplement is approved. If, within 14 working days after the date on which DNR submits the request, the Co-chairpersons notify DNR that the Committee has scheduled a meeting for the purpose of reviewing the request, the supplement may occur only as approved by the Committee.

Create an appropriation for deposit of all moneys received from the sale of timber from federal land under the cooperative agreement to be used to administer, implement, and pay costs associated with the cooperative agreement and contracts. However, require that on June 30 of each fiscal year, 10 percent of the revenue received by DNR in that fiscal year from the sale of timber from federal land under a cooperative agreement lapse to the balance of the forestry account, until the amount lapsed reaches $750,000.

The Good Neighbor Authority is a U.S. Forest Service program which allows the Forest Service to enter into cooperative agreements or contracts with states to allow the states to perform watershed restoration and forest management services on National Forest (and certain other federal) lands.

15. NORTHERN STATE FORESTS MASTER PLANS AND TIMBER PRODUCTION

Joint Finance: Require DNR to increase the percent of overall Northern State Forest property acres classified by the Department as forest production areas from 67% to 75% (approximately 37,500 additional acres), with the exception of Governor Knowles State Forest (Burnett and Polk Counties). Require DNR to amend master plans for all the Northern State Forests, except Governor Knowles State Forest, by March 1, 2017 so that 75% of all the land in

those state forests combined is classified as a forest production area. Northern State Forests would include all state forests located outside the 16-county region composed of Calumet, Dodge, Fond du Lac, Jefferson, Kenosha, Manitowoc, Milwaukee, Outagamie, Ozaukee, Racine, Rock, Sheboygan, Walworth, Washington, Waukesha, and Winnebago Counties.

In addition, specify that any land classified as a forest production area may not be classified under any other land management classification. Specify that in a DNR-prepared plan for each Northern State Forest (master plan), the primary management objective of a forest production area relates to the production of timber and other forest products. Further, require DNR to establish the primary management objective of a forest production area to be the production of timber and other products, and require DNR to maximize timber production on forest production areas while using accepted silvicultural practices. With respect to managing a forest production area, specify the following: (a) that the specific objective for any given forest production area may vary taking into consideration only the site's capability to produce timber, the type of timber produced in the area, the market for forest products, and the economy; (b) that DNR may establish the specific objective of extracting economic value from land while managing for timber products; and (c) that DNR may authorize any management activity or technique that is consistent with the management objective specified in the master plan for the area, and is compatible with the area's ecological capability and the practice of forestry. Further, specify that the Department may not do any of the following with respect to managing a forest production area: (a) authorize or prescribe timber management techniques and activities, including commercial timber harvests, that are not consistent with the specific management objectives in the master plan and with locally accepted timber production practices common to the industry; and (b) use management activities or techniques in the area that are not authorized in the plan for that area. Specify that the Department propose a variance to the master plans of all Northern State Forest by June 30, 2016, with the exception of Governor Knowles State Forest, to incorporate the provisions related to requirements for land classified as a forest production area. These provisions related to requirements for land classified as a forest production area would first apply to a master plan prepared, amended, or revised, or for which a variance is approved, on the effective date of the bill.

Under administrative code NR 44.04(1)(d), "Master plan variance" or "plan variance" means a change in management activity or use described in the master plan that is consistent with the area's land management classification and does not constitute a change in an objective for management or public use of the area as specified in the plan.

Currently 67% of Northern Forest acres (excluding Governor Knowles State Forest) include the designation of forest product management area. The Joint Finance provision would require DNR to increase to 75% the acres designated as solely forest production areas, with the exception of Governor Knowles State Forest. Currently, s. NR 44.06(4) of the administrative code specifies the master plan for a forest production area be consistent with the following terms. (a) *Management objective*. The management objective of a forest production area is the sustainable production of timber and other forest products. The specific objective for any given forest production area may vary depending on site capability, timber types, markets, societal needs, desired associated benefits, the desired future forest conditions, adjacent land uses and local economic conditions. In addition, under limited, special circumstances, specified in the

master plan, the following may be forest management objectives: (1) in areas of high recreational use and where site conditions allow, manage to produce timber on extended rotations in a manner that promotes long-term visual appeal; or, (2) while managing for timber products, promote the production and maintenance of certain ecological attributes that are characteristic of older forests. (b) *Management.* A master plan may authorize any management activity or technique that is consistent with the management objective specified in the master plan for the area, and is compatible with the site's ecological capability and the practice of sustainable forestry. Only those management activities or techniques identified by the master plan for the management area may be pursued. (c) *Master plan components.* In addition to the plan components (short-term and long-term management objectives, resource management, resource development, and recreation and public use), the master plan must identify the predominant timber types and the desired future timber types and stand conditions for the area.

16. SILVICULTURE AND RECREATIONAL TRAILS

Joint Finance: Specify that the Department may not prohibit a person engaged in silviculture from crossing a recreational trail on DNR property (property that is owned by the state, under the jurisdiction or control of the Department). In addition, require DNR to, at the request of a person engaging in silviculture, temporarily close a portion of a recreational trail on Department property. Before the recreational trail is reopened, require the person engaging in silviculture affecting the recreational trail to restore any portion of the recreational trail affected by the silvicultural activities to its condition prior to those activities. In addition, specify that DNR may not limit the scope of a silvicultural activity on Department property based on the proximity of that activity to a recreational trail on DNR property.

17. FORESTRY ACCOUNT AUDIT

Joint Finance: Request that the Joint Legislative Audit Committee direct the Legislative Audit Bureau (LAB) to perform an audit of the forestry account of the conservation fund. If the Committee directs the Legislative Audit Bureau (LAB) to perform an audit, require LAB to file its audit report on or before June 30, 2017.

Fish, Wildlife, and Recreation

1. FISH AND WILDLIFE ACCOUNT CONDITION [LFB Paper 470]

	Funding	Positions
SEG	- $1,005,100	- 13.35

Joint Finance: Delete $1,005,100 fish and wildlife SEG in 2016-17 and 13.35 vacant positions. In addition, require DNR, to, in consultation with stakeholders, including hunters, anglers, trappers, and conservationists, prepare a report on a plan to address the imbalance in the

fish and wildlife account. Require the report to include recommendations for program reductions and hunting and fishing approval fee increases necessary to bring the ongoing revenue and expenditure level into balance. Require the Department to submit the report to the Joint Committee on Finance by January 1, 2017. Estimated revenues of $73 million in 2016-17 are expected to exceed expenditures authorized under the bill, totaling almost $76 million, by approximately $3 million, as shown in the following table.

Fish and Wildlife Account Condition Under Joint Finance

	2015-16	2016-17
Opening Balance	$19,720,000	$16,390,000
Revenue:		
Licenses	64,510,000	64,260,000
All Other	8,780,000	8,780,000
Total Revenue	73,290,000	73,040,000
Authorized Expenditures*	$76,620,000	$75,860,000
Cash Balance	$16,390,000	$13,570,000
Encumbrances/Continuing Balance	15,650,000	15,650,000
Available Balance	$740,000	-$2,080,000

*Authorized expenditure levels, however, DNR would be required to reduce actual expenditures by over $2 million during the biennium in order to maintain a positive balance.

2. WISCONSIN WALLEYE INITIATIVE FUNDING ADJUSTMENT

GPR	- $2,000,000

Governor/Joint Finance: Delete $1 million GPR annually originally provided for walleye population maintenance and enhancement grants (infrastructure/capacity grants) to municipal fish hatcheries. The grant recipients are contractually obligated to sell an agreed upon number of large walleye fingerlings back to DNR for three years after their project is completed (contingent on available funding).

Wisconsin Walleye Initiative Funding

	2013 Act 20		Governor		
	2013-14	Annually Beginning in 2014-15	Annually Beginning in 2015-16	Annual Funding Adjustment	Source
Hatchery Operations	$626,000	$1,230,300	$1,230,300	$0	GPR
Population Maintenance and Enhancement Grants	1,000,000	1,000,000	0	-1,000,000	GPR
Contracts	0	500,000	500,000	0	GPR
UW Extension Private Fish Farms	160,000	0	0	0	GPR
Tribal Youth Program	250,000	250,000	250,000	0	GPR
Total	$2,036,000	$2,980,300	$2,080,300	-$1,000,000	GPR

3. URBAN BOWHUNTING

Joint Finance: Specify that if a local governmental unit has in effect on or after the effective date of the bill, a restriction that prohibits a person from hunting with a bow and arrow or crossbow within the jurisdiction of that local governmental unit, the restriction does not apply and may not be enforced.

2013 Act 71 provides, with certain exceptions, that a local governmental unit may not enact or adopt a restriction that prohibits a person from hunting with a bow and arrow or crossbow within the jurisdiction of that local governmental unit. This provision would invalidate ordinances adopted prior to the effective date of the budget (including ordinances adopted prior to 2013 Act 71 becoming effective in 2014) that prohibit bow hunting.

4. DELETE CLASS B BEAR LICENSE

SEG- REV	$70,000

Joint Finance: Delete the Class B bear license and increase the Class A bear application fee from $3 to $4.50 and clarify that the 25¢ issuing fee applies to the Class A bear license. In addition, specify that no license is required to conduct any of the following activities: (a) assist a person in hunting bear by tracking bear, trailing bear or engaging in any other activity to locate bear; (b) pursue a bear as long as the activities are not conducted for the purposes of shooting, shooting at, taking, catching, or killing, the bear; (c) bait bear; (d) train a dog to track bear, to trail bear or to otherwise engage in any activity that contributes to locating bear, and (e) shoot, for the purpose of killing, a bear that was shot, but not killed, by a Class A bear license holder if the person was hunting in the same hunting party as the Class A bear license holder at the point of kill, if the Class A bear license holder possesses a current unused bear carcass tag that is authorized for use on the bear killed, and if killing the bear is necessary to protect the safety of the members of the hunting party or others.

Under current law, a Class A bear license is required to hunt (harvest) bear and a Class B bear license ($14 resident and $110 nonresident) is required to pursue bear. The application fee for a Class A bear license or a preference point is currently $3 (including the 25¢ issuing fee). Under the bill, a Class A bear license application fee would be $4.50 (including the 25¢ issuing fee) and no license would be required for a person to engage in any of the activities which the holder of a Class B license is currently allowed to engage in. The increased application fee would result in increased revenue to the fish and wildlife account of approximately $150,000 SEG annually, and the deletion of the Class B bear license would result in an estimated loss in revenue of approximately $115,000 SEG annually to the fish and wildlife account of the conservation fund.

5. WOLF DEPREDATION PROGRAM APPROPRIATION [LFB Paper 476]

SEG	- $498,000

Joint Finance: Delete $249,000 annually from the conservation fund appropriation for the deposit of all moneys received from wolf harvesting licenses and application fees. No revenues are currently anticipated in 2015-17 related to a wolf hunting season. (The statutory

authority would remain but the appropriation would be estimated at zero in each year.)

2011 Act 169 established a wolf harvest season. Revenue from the licenses (currently $49 resident and $251 non-resident) and application fees ($10) are primarily used to administer a wolf depredation program. The wolf damage program provides payments to persons who apply for reimbursement for damage caused by wolves to livestock, hunting dogs (other than those used in wolf hunting) and pets, and control activities conducted by the Department aimed at reducing wolf damage. The wolf harvest season and damage payments only apply if the wolf is not listed on the U.S. list of endangered and threatened species or the state list of endangered and threatened species. On December 19, 2014, in response to a lawsuit brought against the United States Fish and Wildlife Service (USFWS), the Federal District Court for the District of Columbia vacated the 2012 USFWS decision which delisted gray wolves in the western Great Lakes. (Wisconsin delisted the gray wolf in 2004, and as of January 27, 2012, the gray wolf was no longer a federally endangered species in Wisconsin and other parts of the western Great Lakes region). The ruling returned gray wolves in the western Great Lakes region, including Wisconsin, to the federal endangered species list.

6. CAR-KILLED DEER [LFB Paper 471]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $701,400	$0	- $701,400
SEG	- 701,400	1,402,800	701,400
Total	- $1,402,800	$1,402,800	$0

Governor: Repeal the appropriations for the removal and disposal of car-killed deer from highways and delete $350,700 GPR and $350,700 SEG annually.

Under current law, DNR contracts for the removal and disposal of car-killed deer from highways. Beginning with 1997 Act 27, 50% of these funds are from the fish and wildlife account and 50% are from GPR. The program is currently funded at $701,400 annually ($350,700 each from GPR and SEG).

Joint Finance: Provide $701,400 forestry SEG on a one-time basis in 2015-16 and 2016-17 and require the Department of Natural Resources to administer a program for removal of car-killed deer from state trunk highways. Require DNR to submit a report to the Governor, Joint Committee on Finance and appropriate standing committees of the Legislature by January 1, 2017, including the cost effectiveness of the program, the number of deer collected, and any recommendations regarding the program. In addition, specify that a person may take possession of the carcass of a deer killed in a motor vehicle collision, subject to certain CWD-related regulations, if the person contacts the Department of Natural Resources in a manner prescribed by DNR and identifies the following prior to taking possession: (a) the name and address of the person taking possession of the carcass; and (b) the location of the carcass.

The state trunk highway system includes state, interstate, and U.S. highways. Section

29.349 of the statutes currently requires any person who is taking possession of the carcass of a deer, bear, or wild turkey killed in a motor vehicle collision on a highway to have the carcass tagged by a law enforcement officer (no fee is required for the tag). The substitute amendment would remove the tag requirement for deer.

7. CONSERVATION WARDEN OVERTIME [LFB Paper 472]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$361,800	- $361,800	$0

Governor: Provide $180,900 annually for conservation warden overtime costs. Expenditure authority would be provided as follows:

	Annual Amount
Conservation Fund:	
Fish and Wildlife Account	$138,800
Boat Account	21,900
ATV Account	9,400
Water Resources Account	2,400
Environmental Fund	8,400
Total	$180,900

Joint Finance: Delete provision.

8. LAW ENFORCEMENT COMPUTERS [LFB Paper 472]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$595,000	- $71,600	$523,400

Governor: Provide $297,500 in 2015-16 and 2016-17, on a one-time basis, for the first two years of a four-year master lease for 225 tablet computers and associated equipment for law enforcement wardens (including all permanent credentialed conservation wardens and deputy warden water guards) and seven tablet computers and associated equipment for property managers who perform law enforcement work on certain flowages, boat access sites, and the Lower Wisconsin State Riverway. The tablet computers would replace the current laptops which were funded through a four-year master lease under the last two biennial budgets. Expenditure authority would be provided as follows:

	Annual Amount
Conservation Fund:	
Fish and Wildlife Account	$222,800
Boat Account	34,300
ATV Account	14,700
Forestry Account	4,000
Water Resources Account	3,800
Parks Account	600
Environmental Fund	17,300
Total	$297,500

Joint Finance: Provide $261,700 (a reduction of $35,800 each year) to support a master lease for the purchase of 213 law enforcement computers. Specify the funds be provided as ongoing. Funding would be provided as follows:

	Annual Amount
Conservation Fund:	
Fish and Wildlife Account	$196,000
Boat Account	30,200
ATV Account	12,900
Forestry Account	3,600
Water Resources Account	3,300
Parks Account	500
Environmental Fund	15,200
Total	$261,700

9. RECREATIONAL VEHICLE TRAIL AID APPROPRIATION REESTIMATES [LFB Paper 473]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$168,500	$1,091,300	$1,259,800

Governor: Provide $150,100 SEG in 2015-16 and $18,400 SEG in 2016-17 for estimates of the revenue transferred from the transportation fund to appropriations from the segregated snowmobile and all-terrain vehicle (ATV) accounts of the conservation fund. The recreational vehicle fuel tax transfer is used for a portion of state trail aid grants and is based on the current fuel tax rate and the estimated number of registered snowmobiles, ATVs, and utility terrain vehicles (UTVs).

	2015-16			2016-17		
	Base	Change	Total	Base	Change	Total
Snowmobile Transfer	$5,076,900	$389,000	$5,465,900	$5,076,900	$279,700	$5,356,600
ATV Transfer	1,908,100	-312,300	1,595,800	1,908,100	-334,700	1,573,400
UTV Transfer	65,700	73,400	139,100	65,700	73,400	139,100
	$7,050,700	$150,100	$7,200,800	$7,050,700	$18,400	$7,069,100

It should be noted that there is an error in the ATV transfer calculation under the bill.

Joint Finance: Provide $326,900 SEG in 2015-16 and $764,400 SEG in 2016-17 for: (a) reestimates of the revenue transferred from the transportation fund [based on more recent estimates of the number of registered snowmobiles, ATVs, and UTVs] to trail aid appropriations from the segregated snowmobile and ATV accounts of the conservation fund; and (b) $24,000 SEG in 2015-16 and $246,500 SEG in 2016-17 to the snowmobile supplemental trail aids appropriation to reflect reestimated non-resident trail pass sales and a 2013 Act 142 increase in the amount transferred per non-resident snowmobile trail pass sold the prior year, beginning with fiscal year 2016-17.

	2015-16	2016-17
Snowmobile Trail Aids	-$197,900	-$86,600
Snowmobile Supplemental Trail Aids	24,000	246,500
ATV Trail Aids	445,100	511,600
UTV Trail Aids	55,700	92,900
Change to Governor	$326,900	$764,400

10. ATV LANDOWNER INCENTIVE PROGRAM [LFB Paper 475]

SEG	- $811,800

Joint Finance: Repeal the ATV landowner incentive program and delete the $405,900 annual appropriation.

2007 Act 20 created an ATV landowner incentive program beginning in 2008-09. The program could provide grants to private landowners who permit public all-terrain vehicle corridors on their lands. Landowners could receive annual incentive payments at up to the following rates based on the number of days the trail was open for public use during the previous fiscal year: (a) $25 for each mile that was open for public use for at least 60 but less than 180 days; (b) $75 for each mile that was open for public use at least 180 days but less than 270 days; or (c) $100 for each mile that was open for public use for 270 days or more. No landowner incentive grants have ever been awarded under the program.

11. UTILITY TERRAIN VEHICLE DEFINITION

Joint Finance: Repeal section 23.33(1)(ng)1.(c) of the statutes which specifies that the definition of a utility terrain vehicle (UTV) includes [among a number of provisions] a cargo box installed by the manufacturer.

Generally, all-terrain vehicles are smaller than UTVs, with less hauling capacity, less seating, and greater maneuverability. On the other hand, UTVs are generally larger, wider, and heavier, often have side-by-side seating, and may have a large rear cargo hold, and truck-like cabs and seats that allow riders to sit upright, rather than straddle a seat as is common on an ATV. Under the bill, a vehicle would not need to have a "cargo box installed by the manufacturer" to be considered a UTV.

12. ANTIQUE SNOWMOBILE REGISTRATIONS

SEG-REV	$240,000

Governor/Joint Finance: Specify that antique snowmobile registrations be valid for three years beginning with registrations issued on the effective date of the bill. In addition, specify that there is no fee for a trail use sticker issued for a snowmobile that has a model year that is at least 35 years earlier than the year in which the trail use sticker is issued.

Under current law, a fee of $30 is assessed for each snowmobile registered for general use in Wisconsin. Through fiscal year 2014-15, the registration is valid for two years. Snowmobiles registered in other states or countries need not be registered in Wisconsin if they are in the state for a period of less than 15 consecutive days. Effective July 1, 2015, a $30 snowmobile registration fee is valid for three years. Prior to 2014, the owner of a snowmobile that had a model year of 1966 or earlier could register the snowmobile with DNR as an antique snowmobile for a one-time $20 registration fee (the snowmobile was exempt from re-registration while under the same ownership). Effective April 10, 2014, current law allows registration of snowmobiles as antique snowmobiles, if they are at least 35 years old, for an initial fee of $20 and a renewal fee of $5 every two years. The bill would extend the registration to a three-year period to be consistent with other snowmobile registrations (the initial registration fee would remain $20, with a $5 renewal fee every three years). In addition, effective July 1, 2015, most snowmobiles operated on a public snowmobile corridor in Wisconsin are required to display an annual trail use sticker issued by the Department, regardless of whether the snowmobile is registered in Wisconsin. However, there is no fee for a trail use sticker issued for a snowmobile that is registered in Wisconsin and that has a model year that is at least 30 years earlier than the year in which the trail use sticker is issued. The bill would modify this to a model year that is at least 35 years earlier than the year of issuance to be consistent with the antique snowmobile registration requirement. The administration estimates these changes would result in increased revenue to the snowmobile account beginning in 2015-16 of approximately $120,000 annually (reflecting an increase of $158,000 in annual snowmobile trail pass revenue and a decrease of $38,000 annually in registration revenues).

13. SNOWMOBILE SUPPLEMENTAL TRAIL AIDS JOINT FINANCE REQUESTS [LFB Paper 474]

Joint Finance: Modify section 350.12(4)(br) of the statutes to specify that if supplemental snowmobile trail aids payable to counties and to the Department exceeds the moneys available from the snowmobile gas tax multiplier and the nonresident snowmobile sticker transfer, DNR may only do the following or any combination of the following: (a) prorate the payments; or (b) submit a request to the Joint Committee on Finance for approval under a 14-day passive review procedure to provide additional funding from other available snowmobile account funds including funds from appropriation 20.370(5)(cr) [county snowmobile aids] and 20.370(5)(cs) [snowmobile fuel tax transfer].

14. GINSENG LICENSE REVENUES AND FUNDING

Governor/Joint Finance: Transfer the deposit of revenues from wild ginseng harvest and dealer licenses from the endangered resources account to the fish and wildlife account of the conservation fund. In addition, delete $25,000 SEG annually in LTE salaries and fringe benefits from an endangered resources appropriation and provide the same amount in a conservation enforcement appropriation (based on the annual average of ginseng dealer and harvester license revenues collected since fiscal year 2001-02).

15. HORICON MARSH EDUCATION AND VISITOR CENTER

Joint Finance: Authorize DNR to charge fees for educational programs and create a program revenue continuing appropriation for the deposit of fees collected by DNR for educational programs at the Horicon Marsh Education and Visitor Center.

Throughout summer 2015, new educational displays and hands-on exhibits will be constructed at the Center as part of the new "Explorium," which is expected to open on August 22, 2015. The Department indicates that fees will be charged for admission to the Explorium, but the amount generated by these fees is undetermined. Other educational programming at the Center will remain available free of charge.

Environmental Quality

1. DAM SAFETY BONDING

BR	$4,000,000

Governor/Joint Finance: Provide $4,000,000 in GPR-supported general obligation bonding authority for dam safety grants. No specific estimate of debt service payments is made for the biennium (debt service on $4 million in general obligation bonds could be expected at

roughly $280,000 annually for 20 years once all bonds are issued).

DNR administers the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns and public inland lake protection and rehabilitation districts for the repair, reconstruction, or removal of municipal dams. To qualify for a grant, the locality must own a dam that has been inspected and be under a DNR directive to repair or remove the dam. Dam safety grants may also be awarded to remove abandoned dams or to any dam owner to voluntarily remove their dam. To date, a total of $24.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including $4 million in each of the last three biennia.

2. VILAS COUNTY DAM WATER LEVEL ORDERS

Joint Finance: Specify that the Department may not issue, amend or revise an order under section 31.02 or s. 182.71(7)(b) of the statutes, unless the appropriate standing committee in each house of the Legislature, as determined by each presiding officer, approves the proposed order, amendment or revision if the order involves a dam to which the following applied on June 1, 2015: (a) the dam regulated water levels of one or more lakes in Vilas County; (b) the dam has been continuously subject to a lake level order for a period of at least 40 years; (c) the dam was located in whole or in part, in a city, village, or town, with an equalized value exceeding $500 million; and (d) the dam's impoundment area at normal pool elevation exceeded 4,000 acres.

Under section 31.02(1) of the statutes, DNR may regulate and control the level and flow of water in navigable waters. Section 182.71(7)(b) of the statutes affects PSC and DNR regulation of reservoirs of the Chippewa and Flambeau Improvement Company.

3. DAM WATER FLOW REGULATION

Joint Finance: Provide an exception from the general requirement in section. 31.34 of the statutes for a dam that meets all of the following requirements: (a) a dam exists in a location where a dam was originally constructed prior to 1845 and regulates water discharge to a stream from a lake with a depth of over 125 feet; (b) the precise level of the natural low flow of water at the location of the dam prior to its construction is not known; (c) historically there have been extended periods during which water passed through the dam only as groundwater seepage and as the result of leakage through the dam structure. For a dam that meets these requirements, the owner of the dam shall be required to pass, and DNR may not order an owner to pass more than, an amount of water not less than the lesser of: (a) the low flow of the stream over the preceding 10-year period using the seven-day, 10-year low-streamflow method; or (b) the amount passed by groundwater seepage and leakage through the dam structure.

Section 31.34 of the statutes specifies that each person, firm, or corporation maintaining a dam on any navigable stream shall pass at all times at least 25% of the natural low flow of water of such stream, subject to certain exceptions (such as for a plant or dam where the water is discharged directly into a lake, mill pond, storage pond, or cranberry marsh, or where it is not necessary for the protection of fish life).

4. WETLAND DATABASE ENHANCEMENTS

SEG	$70,000

Governor/Joint Finance: Provide $70,000 water resources SEG in one-time funding in 2015-16 for upgrades to the waterway and wetland permits database (WWPDB). The WWPDB is DNR's database for storing data on waterway permits issued under Chapter 30 (Navigable Waters) of the statutes and wetland permits issued under Chapter 281 (Water Resources) of the statutes. The database also holds data for non-permit items such as jurisdictional determinations, navigability, ordinary high water mark determinations, and wetland delineations. Documents associated with these non-permit items include delineation reports, photos, maps, and associated correspondence. There is currently no centralized electronic storage for these documents. Funding would be used to provide 1,000 hours of information technology contractor time to add capacity for non-permit document storage to the WWPDB. Data housed in the WWPDB is made available to the public via the Surface Water Data Viewer on the Department's website.

5. RIVER PROTECTION GRANT APPROPRIATION

Governor/Joint Finance: Convert the river protection grant appropriation under s. 20.370(6)(av) of the statutes from an annual to a biennial appropriation and remove the requirement that any unencumbered balance in the appropriation at the end of each fiscal year be transferred to the lake protection grant appropriation.

A river protection grant program was created in 1999 Act 9. Currently $289,500 annually from water resources SEG is available, with any unencumbered funding at the end of a fiscal year being transferred to the lake protection grant appropriation. Under the bill, as a biennial appropriation, any unencumbered funds in the river protection grant appropriation at the end of a biennium would lapse to the balance of the water resources (motorboat gas tax) account.

6. NONPOINT PROGRAM EXPENDITURES [LFB Paper 141]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $400,000	$0	- $400,000
SEG	- 3,166,400	2,140,000	- 1,026,400
Total	- $3,566,400	$2,140,000	- $1,426,400

Governor: Reduce GPR-funded nonpoint source water pollution abatement grants, which are typically allocated to the rural targeted runoff management (TRM) program, by $200,000 annually. Also, reduce expenditure authority from the nonpoint account of the environmental fund by $1,583,200 SEG each year, including $813,200 SEG from urban nonpoint source (UNPS) water pollution and storm water management grants, and $770,000 SEG from nonpoint source water pollution abatement contracts. Nonpoint SEG-related provisions are intended to align nonpoint account expenditures with expected revenues to the account in 2015-17. Additional actions affecting nonpoint account expenditures and revenues are described under "Agriculture, Trade and Consumer Protection."

DNR has customarily allocated GPR nonpoint source grant funds toward non-structural practices required of TRM projects, as well as projects under a companion program to cost-share the installation of pollution abatement practices at animal feeding operations that have been issued a notice of discharge for impermissible manure runoff. Urban nonpoint source SEG grants typically are awarded to planning projects to address current or future urban runoff management or treatment needs for a municipality or group of municipalities. Under both programs, GPR and SEG funds are intended to support activities not directly implementing specific structural projects. Non-structural activities typically would be unable to use bonding authority provided for the programs, as the Wisconsin Constitution generally requires bond proceeds to support structural improvements.

Funding for nonpoint source contracts is distributed to other state agencies or nonprofit organizations for research, education or technical assistance activities related to nonpoint source water pollution abatement. Section 281.65(4g) of the statutes requires that at least $500,000 per fiscal year must be allocated to the University of Wisconsin-Extension for contracts for educational and technical assistance regarding nonpoint source water pollution abatement.

Joint Finance: Restore the following annual nonpoint SEG amounts: (a) $770,000 for nonpoint source contracts; (b) $200,000 for UNPS grants; and (c) $100,000 for TRM grants. Convert the biennial GPR appropriation for nonpoint source (TRM) grants to a nonpoint SEG appropriation. Specify all funding appropriated for the 2015-17 is one-time financing. (Amounts provided as one-time financing would be removed as a standard budget adjustment in the 2017-19 budget bill.) The following table shows funding changes under the bill as introduced and the substitute amendment:

DNR Nonpoint Program Funding Changes

Appropriation (Fund Source)	Base (Annual)	Governor	Jt. Finance (Chg. to Gov.)	2015-17 Annual	Change to Base
Rural nonpoint grants (GPR)	$200,000	-$200,000	$0	$0	-$200,000
Rural nonpoint grants (SEG)	--	--	100,000	100,000	100,000
Nonpoint source contracts (SEG)	997,600	-770,000	770,000	997,600	0
Urban nonpoint source grants (SEG)	1,313,200	-813,200	200,000	700,000	-613,200
Total	$2,510,800	-$1,783,200	$1,070,000	$1,797,600	-$713,200

Additionally, specify the maximum state grant under the UNPS program and the municipal flood control and riparian restoration (MFC) program is 50%, which would require grant recipients to provide at least a dollar-for-dollar match of state grants for eligible project costs. (The MFC program shares a nonpoint SEG appropriation and bonding authorization with the UNPS program.) The cost-share rate on UNPS planning grants and MFC grants would be reduced from 70% under current law to 50%, which is the standard cost-share rate on UNPS construction grants.

7. RURAL NONPOINT SOURCE BONDING [LFB Paper 142]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$7,000,000	- $1,100,000	$5,900,000

Governor: Provide $7 million in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants. Bond proceeds support the targeted runoff management (TRM) program and provide for the installation of structures in rural settings to improve water quality by preventing soil erosion and animal waste runoff. State funding under TRM grants typically may fund 70% of eligible project costs, up to a cap of $150,000 or $1 million, depending on the scope of the project. Bonding authority also may be disbursed as grants under a separate program to address animal waste runoff only from animal feeding operations that have been issued a notice of discharge (NOD) or notice of intent (NOI) to issue a notice of discharge.

The last four biennial budget acts have each authorized $7 million in combined additional bonding for the TRM and NOD/NOI programs. Principal and interest payments on the bonds are paid from the nonpoint account of the environmental fund. This debt service is budgeted at $1.5 million SEG in 2015-16 and at $1.7 million SEG in 2016-17.

Joint Finance: Reduce the bonding authorization by $1,100,000, from $7 million to $5.9 million. The provision is intended to reduce bonding authority by the amounts previously authorized but that are as yet unallocated to projects.

8. URBAN NONPOINT SOURCE BONDING [LFB Paper 142]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$5,000,000	- $2,000,000	$3,000,000

Governor: Provide $5 million in SEG-supported general obligation bonding for the urban nonpoint source and storm water management (UNPS) and municipal flood control and riparian restoration (MFC) programs. UNPS program bonds support structural projects to improve state surface water quality by managing storm water runoff in urban settings. The MFC program provides funding for flood-control or flood-proofing projects in urban settings, including property acquisition and structure removal. UNPS construction projects typically are eligible for 50% state funding up to $150,000. MFC projects are generally eligible for 70% state funding, up to 20% of the amount available each two-year grant cycle [other bill provisions would reduce the maximum state share of MFC grants to 50%]. DNR determines allocations to each program over the course of the biennium.

The 2013-15 budget act authorized $5 million in new joint bonding authority for the programs, while $6 million was provided in each of the three earlier biennial budget acts

beginning with 2007-09. Principal and interest payments on bonds issued for the UNPS and MFC programs are supported by the nonpoint account of the environmental fund. Debt service is estimated at $3.1 million SEG in 2015-16 and at $3.2 million SEG in 2016-17.

Joint Finance: Reduce the bonding authorization by $2,000,000, from $5.0 million to $3.0 million. The provision is intended to reduce bonding authority by the amounts previously authorized but that are as yet unallocated to projects.

9. SHORELAND ZONING STANDARDS AND ORDINANCES

Joint Finance: Amend Chapters 59 (counties), 61 (villages), 62 (cities) and 281 (water and sewage) as follows to change statutory provisions regarding county shoreland zoning ordinances, and shoreland zoning standards promulgated by DNR:

Definitions

Provide a definition for "structure" under s. 59.692 of the statutes (county shoreland zoning) to mean a principal structure or any accessory structure including a garage, shed, boathouse, sidewalk, stairway, walkway, patio, deck, retaining wall, porch, or fire pit. Delete a reference to "buildings" in the definition of "shoreland setback area," and provide the term "structure" applies to consideration of whether construction or placement of objects occurs in a shoreland setback area, which is an area within a set distance of a high-water mark in which building activity is prohibited or limited.

State and County Shoreland Zoning Restrictions

Specify a shoreland zoning standard promulgated by DNR, or a county shoreland zoning ordinance, may not impair the interest of a landowner in shoreland property with regard to several aspects of land use as described in the following paragraphs.

Lighting. Specify DNR standards or a county ordinance may not: (a) require approval to install or maintain outdoor lighting in shorelands; (b) impose any fee or mitigation requirement to install or maintain outdoor lighting in shorelands; or (c) otherwise prohibit or regulate outdoor lighting in shorelands if the lighting is designed or intended for residential use.

Nonconforming Structures. Modify current-law provisions regarding restoration of nonconforming structures to specify DNR standards or a county ordinance may not require approval for, or impose a fee or mitigation requirement for, or otherwise prohibit or regulate, the maintenance, repair, replacement, restoration, rebuilding or remodeling of all or any part of a nonconforming structure if the activity does not expand the footprint of the nonconforming structure. Provide a county shoreland zoning ordinance shall allow a footprint expansion of a nonconforming structure if the expansion is necessary for the structure to comply with applicable state or federal requirements.

Additionally, specify DNR standards or a county ordinance may not require any approval for, or impose any fee or mitigation requirement for, or otherwise prohibit or regulate, the vertical expansion of a nonconforming structure unless the vertical expansion would extend for

more than 35 feet above grade level. Provide DNR may establish a shoreland zoning standard that allows vertical or lateral expansion of a nonconforming structure, and provide a county may enact a shoreland zoning ordinance that allows the vertical or lateral expansion of a nonconforming structure if the ordinance does not conflict with DNR shoreland zoning standards.

Inspections or Upgrades. Specify DNR standards or a county ordinance may not require any inspection or upgrade of a structure before the sale or transfer of the structure.

Impervious Surfaces. Specify DNR standards or a county ordinance may not establish standards for impervious surfaces, unless the standards provide that a surface is considered pervious if the runoff from the surface is treated by a device or system, or is discharged to an internally drained pervious area, that retains the runoff on or off the parcel to allow infiltration into the soil.

County Shoreland Zoning Restrictions

Consistency with State Standards. Specify a county shoreland zoning ordinance may not regulate a matter more restrictively than the matter is regulated by a shoreland zoning standard promulgated as an administrative rule by the DNR. However, provide the restriction does not prohibit a county from enacting a shoreland zoning ordinance to regulate a matter that is not covered by a DNR-promulgated shoreland zoning standard.

Further, provide any provision in a county ordinance that is in effect on or after the bill's effective date, and that is inconsistent with any of the provisions of s. 59.692 of the statutes (county shoreland zoning) as affected by the bill, does not apply and may not be enforced.

Additionally, specify any village or city enacting ordinances required by statute to cover annexed or previously unincorporated shorelands must adhere to statutory requirements and limitations on such ordinances. Further, delete provisions relating to standards for vegetative buffers in such annexed or previously unincorporated shorelands [ss. 61.353(3)(c) and (d), and 62.233(3)(c) and (d) of the statutes].

Vegetative Buffers. Specify a county shoreland zoning ordinance may not require a person to establish a vegetative buffer zone on previously developed land, nor expand an existing vegetative buffer zone. However, specify beginning on the effective date of the bill, a county shoreland zoning ordinance may require a person to maintain a vegetative buffer zone existing on that date if the ordinance: (a) allows the buffer zone to contain a viewing corridor at least 35 feet wide for every 100 feet of shoreline frontage; or (b) allows the viewing corridor to run contiguously for the entire maximum width allowed in the ordinance.

Substandard Lots. Specify a county shoreland zoning ordinance may not regulate the construction of a structure on a substandard lot in a manner more restrictive than DNR standards governing structures on substandard lots.

County Boards of Adjustment Appeals

Specify DNR may not appeal to a county board of adjustment a decision by a county to

grant or deny a shoreland zoning variance under s. 59.692 of the statutes. Provide the Department may, upon request of a county board of adjustment, issue an opinion on whether a variance should be granted or denied.

Applicability of Certain Ordinances

Specify county shoreland zoning ordinances, construction site erosion control and storm water management zoning ordinances, or wetland zoning ordinances do not apply to lands adjacent to artificially constructed drainage ditches, ponds or storm water retention basins that are not hydrologically connected to a natural navigable body of water. Also, repeal s. 281.31 (2m) (c) of the statutes, providing lands adjacent to farm drainage ditches are exempt from various types of zoning if maintained in nonstructural agricultural use.

10. CULVERTS PERMITTING

Joint Finance: Modify s. 30.123(6)(d) of the statutes to specify the construction or placement of a culvert, as well as the maintenance thereof, is exempt from waterway permitting requirements if the culvert is replacing an existing culvert and is placed in substantially the same location as a culvert being replaced. Also, require that replacement culverts be constructed or placed using best management practices to comply with water quality standards under Subchapter II of Chapter 281 (water and sewage).

Further, repeal the culvert permit exemption under s. 30.123(6)(e) of the statutes, for the construction, placement or maintenance of a culvert to replace an existing culvert with an inside diameter not exceeding 24 inches.

Specify if DNR requires a person who replaces a culvert to seek a permit for a culvert that would be otherwise exempt, and if DNR requires conditions under the new permit that are different than conditions for the culvert under an existing permit, DNR is required to reimburse the person for the reasonable costs incurred in complying with the different conditions in the permit. Specify reimbursement is to be made from DNR's general administrative operations GPR appropriation [s. 20.370(8)(ma)]. (No additional funding for such payments would be provided.) Also, specify waterway permit fees would not apply in such instances.

Additionally, require any city, village, town, or county responsible for replacing an exempt culvert to make and retain a record of the replacement of the culvert, including the following information: (a) the date of the replacement of the culvert; (b) the dimensions of the replacement culvert; and (c) the location of the culvert.

Under current law, no person may construct or place a culvert in a navigable waterway unless the culvert has been issued a permit by DNR or the culvert would meet statutory conditions for a permit exemption. Exemptions currently include: (a) the construction or placement of a culvert, as well as the maintenance thereof, to replace an existing culvert that has already been permitted, provided the construction, placement or maintenance would comply with the permit conditions in effect; or (b) the construction or placement of a culvert, as well as the maintenance thereof, to replace a culvert that has an inside diameter not exceeding 24 inches, regardless of whether the existing culvert was previously permitted. Culverts placed in

accordance with guidelines of the Department of Transportation (DOT) or a DNR-DOT cooperative agreement also may not require permits. In general, new culverts, culverts not previously permitted, or replacements that are of a different size than the culvert being replaced, must obtain coverage under a permit.

Also under current law, DNR may require a person to seek a permit for an otherwise exempt culvert if the Department, upon inspection of the site, has determined a permit is necessary to impose conditions that would prevent any of the following: (a) significant adverse impacts to the public rights and interests; (b) environmental pollution; or (c) material injury to riparian rights of riparian owners.

Under the bill, the replacement of any existing culvert would be exempt if the replacement culvert is placed in substantially the same location as the culvert being replaced and is placed using best management practices to comply with water quality standards.

DNR would retain authority to require permits in lieu of exemptions to prevent certain circumstances noted above. However, the bill would specify if DNR were to require a permit for a previously permitted (and otherwise exempt) culvert, and the new permit were to contain conditions more stringent than those under the existing permit, DNR would be required to reimburse the person placing the culvert for the reasonable costs of complying with the new permit conditions.

11. BALLAST WATER DISCHARGE FEES [LFB Paper 477]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$0	0.00	- $69,200	- 0.50	- $69,200	- 0.50
PR-REV	$259,500		$0		$259,500	

Governor: Repeal the December 31, 2015, sunset on ballast water discharge permit fees, making the fees permanent. Estimate revenue of approximately $259,500 in the biennium ($86,500 for the last six months of 2015-16 and $173,000 in 2016-17) that would not be collected under current law. The fees are deposited in a program revenue appropriation for administration of the ballast water discharge program.

Under 2009 Act 28, DNR is authorized to issue a general permit authorizing a vessel that is 79 feet or greater in length to discharge ballast water into the waters of the state. A general permit authorizes discharges from specified categories or classes of point sources. DNR issued a general permit effective February 1, 2010, for large ships that travel between Great Lakes ports, that regulates the discharge of ballast water into the Great Lakes. The five-year permit expired on January 31, 2015. DNR is in the process of revising the permit and plans to reissue it in the spring of 2015. A person is required to pay a $1,200 application fee for a vessel to be covered by the general permit, and an annual fee of $345 to be paid upon initial coverage under the permit, and annually thereafter.

In 2013-14, DNR collected $117,900 in program revenue from the fees, including $34,100 from application fees, and $83,800 from annual fees. Under the bill, this program would continue at $312,900 PR annually with 3.0 PR positions.

Joint Finance: Approve the Governor's recommendation. In addition, delete $34,600 PR and 0.5 PR position annually from the ballast water fees appropriation in order to more closely align anticipated revenues with authorized expenditures.

12. ENVIRONMENTAL MANAGEMENT ACCOUNT OVERVIEW [LFB Paper 478]

The segregated environmental management account provides funding for: (a) recycling financial assistance to local governments; (b) DNR administration of contaminated land, brownfields cleanup, and recycling programs, including staff in remediation and redevelopment, solid waste management, air management, groundwater management, and central administrative programs; (c) brownfields and well compensation grant programs; (d) debt service costs for general obligation bonds issued for state-funded cleanup of contaminated land and sediment, a former point source water pollution abatement grant program and for DNR administrative facilities; (e) state-funded cleanup of contaminated properties where there is no responsible party able or willing to pay for the cleanup; (f) the UW System Bioenergy Initiative; (g) certain environmental and recycling programs in DATCP, the UW System, and the Departments of Corrections, Health Services, and Military Affairs; and (h) remediation of specific sites using moneys received under court-approved settlement agreements or orders (primarily for Fox River cleanup). In the 2013-15 biennium, approximately 88% of revenue to the environmental management account is anticipated to be received from solid waste tipping fees totaling $9.64 per ton (out of state tipping fees totaling $12.997 per ton). The remaining 12% of revenues include a transfer from the segregated petroleum inspection fund, several license and other environmental fees, and revenues received for designated purposes.

Governor: Major changes that would reduce overall expenditures of environmental management account SEG by approximately $8.3 million for the biennium are shown in the following table, and are described in separate entries under DNR, the Department of Corrections, and the UW System. In addition to the reductions shown in the table, the Executive Budget Book states that the Governor recommends lapsing $2 million in each year from annual appropriations funded from the environmental management account to ensure a positive account balance.

Environmental Management Account Expenditures - Change to Base

	2015-16	2016-17
DNR Reduce Recycling Grants to Local Governments	-$4,000,000	$0
DNR Shift GPR Debt Service to SEG	4,900,700	0
DNR Debt Service Reestimate	-237,700	-571,300
DNR Position Reductions: 1.0 Recycling and 0.5 Business Support	-129,800	-129,800
DNR Law Enforcement Equipment and Overtime	25,700	25,700
DNR Environmental Enforcement	300,000	300,000
DNR Transfer Private Onsite Wastewater Treatment System Funding from DSPS	395,100*	790,100*
Corrections - Eliminate funding for Computer Recycling	-256,200	-256,200
UW System - Eliminate funding for UW Bioenergy Initiative	-4,069,100	-4,069,100
UW System - Eliminate funding for Extension Recycling Education	-394,100	-394,100
UW System - Eliminate funding for Solid Waste Research and Experiments	-156,100	-156,100
UW System - Eliminate funding for Environmental Education from Environmental Assessments	-130,500	-130,500
Total - Major Items	-$3,752,000	-$4,591,300

*Revenue associated with this program totals approximately $814,000 in 2015-16 and $1,629,000 in 2016-17.

Joint Finance: Changes are described in separate entries and include: (a) deletion of the transfer of private onsite wastewater treatment system regulation and funding from DSPS to DNR, maintaining the program in DSPS; (b) deletion of $76,000 environmental management account SEG annually from the well compensation grant appropriation; and (c) transferring $320,000 in 2015-16 from the balance of the well compensation grant appropriation to the environmental management account.

13. CONTAMINATED SEDIMENT BONDING [LFB Paper 480]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$5,000,000	- $5,000,000	$0

Governor: Provide $5,000,000 BR to increase, from $32 million to $37 million, the total amount of SEG-supported general obligation bonds authorized to pay for a portion of the costs of removal of contaminated sediment from certain water bodies. Currently, the cleanup must be from Lake Michigan or Lake Superior or their tributaries. The bill would expand eligible uses of the bonding to include projects to remove contaminated sediment from any waters of the state, if, as under current law, the project is in a water body that DNR has identified, under the federal Clean Water Act, as being impaired and the source of the impairment is contaminated sediment.

Debt service costs paid from the segregated environmental management account of the environmental fund totaled $1,410,900 in 2013-14, and are estimated at $1.7 million in 2015-16,

and $2.1 million in 2016-17.

Joint Finance: Delete provision.

14. MUNICIPAL AND COUNTY RECYCLING GRANTS [LFB Paper 481]

SEG	- $4,000,000

Governor/Joint Finance: Delete $4,000,000 environmental management account SEG in 2015-16 to reduce funding for the municipal and county recycling grant program from $19,000,000 to $15,000,000. The bill would maintain the current funding amount of $19,000,000 for 2016-17. The program was created in 1989 Act 335 to provide grants to responsible units of local government for expenses related to operating DNR-approved effective recycling programs and complying with landfill bans on recyclable materials. The bill would maintain the current $1,000,000 annually for the recycling consolidation grant program that provides additional recycling grant funds for certain eligible local governments. In 2013-14, DNR awarded $20.0 million for the two programs to 1,024 local government grantees, equaling 17.5% of estimated net eligible recycling costs of $114.2 million. The grant award averaged $3.51 per capita, but varied substantially by municipality.

15. CONVERT POLLUTION ABATEMENT DEBT SERVICE FROM GPR TO SEG ENVIRONMENTAL MANAGEMENT ACCOUNT [LFB Paper 482]

GPR	- $4,900,700
SEG	4,900,700
Total	$0

Governor/Joint Finance: Shift $4,900,700 in 2015-16 from GPR to environmental management account SEG to pay debt service costs for bonds issued under the former water pollution abatement grant program that provided grants to municipalities for wastewater treatment system construction from 1978 to 1990. In addition, convert the SEG appropriation from sum certain to sum sufficient. 2009 Act 28 created a sum certain appropriation in the environmental management account to be used beginning in 2010-11 for $8.0 million annually in debt service costs formerly paid from GPR. Currently, the first $8.0 million in annual debt service costs is paid from the environmental management account, and the remainder is paid from a GPR sum sufficient appropriation. Under the bill, debt service payments for this appropriation would be estimated at $12.9 million SEG in 2015-16, and $7.4 million SEG in 2016-17. Estimated expenditures for 2014-15 are $9.9 million GPR and $8.0 million SEG. While the bill would not repeal the GPR sum sufficient debt service appropriation, expenditures would be estimated at $0.

16. TRANSFER PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM REGULATION FROM DSPS [LFB Paper 484]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$1,185,200	9.00	- $1,185,200	- 9.00	$0	0.00
SEG-REV	$2,443,000		- $2,443,000		$0	

Governor: Provide $395,100 in 2015-16 and $790,100 in 2016-17 with 9.0 positions to transfer regulation of private onsite wastewater treatment systems (POWTS) from DSPS to DNR effective January 1, 2016. POWTS means a sewage treatment and disposal system serving a single structure with a septic tank and soil absorption field located on the same parcel as the structure. The administration estimates associated revenue would total approximately $2,443,000, including $814,000 in 2015-16 and $1,629,000 in 2016-17, that is currently received by DSPS as program revenue for sanitary permits and private sewage system plan reviews, and is intended to be transferred to DNR to be deposited in the segregated environmental management account of the environmental fund. The bill would need to be amended to accomplish the transfer of revenue. [See the entry under "Safety and Professional Services" for a description of the deleted funding under DSPS, and a description of the transferred program.]

Joint Finance: Delete provision. This would maintain POWTS regulation in DSPS.

17. ENVIRONMENTAL ENFORCEMENT [LFB Paper 483]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$600,000	0.00	- $300,000	1.50	$300,000	1.50
GPR	0	0.00	- 300,000	- 1.50	- 300,000	- 1.50
Total	$600,000	0.00	- $600,000	0.00	$0	0.00

Governor: Provide $300,000 environmental management account SEG annually for environmental enforcement of the hazardous substances spills program under s. 292.11 and groundwater activities under Chapter 160 of the statutes. The funding would be provided for salaries, including fringe benefits at the overtime rate. The appropriation has base funding of $1,016,800 with 8.08 positions.

Joint Finance: Approve the Governor's recommendation to provide $300,000 environmental management account SEG annually for enforcement. In addition: (a) delete $150,000 GPR annually for enforcement; (b) delete $150,000 fish and wildlife SEG annually for enforcement; and (c) transfer 1.5 GPR and 1.5 fish and wildlife SEG enforcement positions to the environmental management SEG enforcement appropriation. The provided environmental management account SEG funding would be used for permanent salaries, fringe benefits and supplies for the 3.0 positions that would be transferred from GPR and fish and wildlife SEG.

Finally, combine the two existing environmental management SEG enforcement appropriations into one, including s. 20.370(3)(mq) for spills and groundwater activities, and s. 20.370(3)(mr) for recycling enforcement. Amend the language of the combined appropriation to authorize it to be used for environmental provisions of Chapter 30, 160 and Chapters 280 through 299.

18. WELL COMPENSATION GRANTS [LFB Paper 479]

SEG	- $152,000
SEG-REV	$320,000

Joint Finance: Delete $76,000 environmental management SEG annually to reduce the well compensation grant appropriation from $276,000 to $200,000 annually to more closely align with program demand. Transfer $320,000 in 2015-16 from the balance of the well compensation grant appropriation to the environmental management account. Finally, convert the well compensation grant appropriation from continuing to biennial. The well compensation grant program provides financial assistance for replacing, reconstructing, or treating contaminated wells that serve certain private residences or are used for watering livestock, or to pay costs of well abandonment in certain situations.

19. PECFA PROGRAM SUNSET [LFB Paper 489]

Governor: Sunset eligibility for the petroleum environmental cleanup fund award (PECFA) program by specifying that a person is not eligible for PECFA reimbursement if the person: (a) did not notify DNR of the discharge and the potential for submitting a PECFA claim before February 3, 2015; and (b) does not submit a claim for the reimbursement of eligible costs before July 1, 2017.

The PECFA program reimburses owners for a portion of the cleanup costs of discharges from petroleum product storage systems (primarily gas stations) and home heating oil systems. The program is funded from a portion of a 2¢ per gallon petroleum inspection fee, which is deposited in the segregated petroleum inspection fund. The bill would maintain base funding of $4,550,000 each year, in a biennial appropriation. In 2013-14, DNR paid PECFA awards totaling $4.8 million. The program first paid awards in 1988, and has paid a cumulative total of $1.53 billion for partial cleanup at 13,300 occurrences (a contiguous contaminated area resulting from one or more discharges of petroleum products).

Joint Finance: Modify the dates on which eligibility would sunset to include denial of PECFA reimbursement if a person: (a) did not notify DNR of the discharge and the potential for submitting a PECFA claim before July 1, 2017 (instead of February 3, 2015); and (b) does not submit a claim for the reimbursement of eligible costs before July 1, 2020 (instead of July 1, 2017). In addition, require that an owner or operator must submit a claim for reimbursement within 180 days after incurring the eligible costs, or by the first day of the seventh month after the effective date of the budget, whichever is later, or else these costs would no longer be eligible for reimbursement.

20. PECFA REVENUE OBLIGATION RETIREMENT [LFB Paper 490]

Governor: Specify that if any moneys lapse from the PECFA award appropriation at the end of 2016-17, the Secretary of the Department of Administration shall ensure that an amount equal to the amount of the lapse is expended from the petroleum inspection fund, no later than December 31, 2017, to pay outstanding principal on variable rate PECFA revenue obligations. Under current law, DOA can use any undesignated petroleum inspection fund balances at any time to pay additional debt service beyond the minimum required amounts.

The state issued $387 million in PECFA revenue obligations between 2000 and 2008 to pay PECFA claims. The obligations are paid from the petroleum inspection fund, which receives revenue from the 2¢ per gallon petroleum inspection fee imposed on petroleum products brought into the state. As of January 1, 2015, the total amount of outstanding revenue obligations (the amount the state owes in principal) was $139.1 million. It is anticipated the remaining balance will be $71.2 million on July 1, 2017, with the state paying off all currently outstanding long-term debt, and continuing to make interest-only payments on short-term variable rate obligations, as it has done for the past several years. The estimated minimum amounts of debt service are $30.0 million in 2014-15, $28.8 million in 2015-16, and $13.3 million in 2016-17.

Joint Finance: Delete provision.

21. AREAWIDE WATER QUALITY MANAGEMENT PLANNING FOR DANE COUNTY

Joint Finance: Make the following changes related to areawide water quality management planning for Dane County.

a. Rename the continuing planning process DNR is required to follow under s. 283.83 (1) of the statutes (Continuing Planning Process), the "water quality management planning process" instead of the "water pollution control planning process."

b. Require DNR to approve or reject proposed revisions to the areawide water quality management plan for Dane County.

c. Require DNR to base its decision on whether the proposed revision complies with the water quality standards under s. 281.15 of the statutes (Water Quality Standards).

d. Authorize DNR to place conditions on its approval of a proposed revision to the plan.

e. Specify that DNR, or a person that DNR contracts with to provide specified advisory services, may not require information concerning a proposed revision to the areawide water quality management plan for Dane County other than information that is reasonably necessary to determine whether the proposed revision complies with water quality standards under s. 281.15.

f. Require DNR to approve or reject the proposed revision to the areawide water quality management plan for Dane County no later than the 90th day after the day on which

DNR, or a person that DNR contracts with, receives the formal application for the proposed revision, including a letter from the applicant certifying that the proposed revision is consistent with water quality standards and information supporting the certification.

g. Specify that if DNR determines that the application for a revision to the plan for Dane County is incomplete, the Department would be required to notify the applicant in writing within 10 days after DNR receives the application and may make only one request for additional information during the 90-day period.

h. Specify that if DNR does not approve or reject a proposed revision to the areawide water quality management plan by the 90th day after the day on which the request is received, the revision would be considered approved on the 120th day after the day on which the Department receives the formal application for the revision, unless DNR petitions the Circuit Court for an order extending the time to act on the proposed revision. The court would be authorized to issue an order extending the time for DNR to act on the proposed revision by an amount it determines is reasonable.

i. Authorize DNR to contract with a regional planning commission or other entity to provide advisory services relating to the review of proposed revisions to the areawide water quality management plan for Dane County. Specify that DNR may not delegate its authority to approve or reject proposed revisions. Specify that the 90-day deadline to approve or reject a proposed revision to the areawide water quality management plan would not be affected by the contract.

j. Prohibit the Governor from designating, under applicable federal requirements, Dane County or any of its subunits, including the Dane County Lakes and Watershed Commission, to develop the areawide water quality management plan for Dane County, or to review proposed revisions to the plan.

k. Prohibit DNR from contracting with Dane County or any of its subunits, including the Dane County Lakes and Watershed Commission, to provide advisory services relating to the review of proposed revisions to the areawide water quality management plan for Dane County [DNR currently contracts with the Capital Area Regional Planning Commission].

OFFICE OF STATE EMPLOYMENT RELATIONS

Budget Summary							
				Joint Finance Change to:			
	2014-15 Base	2015-17	2015-17	Governor		Base	
Fund	Year Doubled	Governor	Jt. Finance	Amount	Percent	Amount	Percent
PR	$12,215,600	$0	$0	$0	N.A.	- $12,215,600	- 100.0%

FTE Position Summary					
		2016-17	2016-17	Joint Finance Change to:	
Fund	2014-15 Base	Governor	Jt. Finance	Governor	2014-15 Base
PR	49.95	0.00	0.00	0.00	- 49.95

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$783,900

Governor/Joint Finance: Provide adjustments to the base budget totaling $388,400 in 2015-16, and $395,500 in 2016-17. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits ($379,800 annually); and (b) full funding of lease and directed moves costs ($8,600 in 2015-16, and $15,700 in 2016-17).

2. POSITION REDUCTIONS [LFB Paper 495]

	Funding	Positions
PR	- $1,648,600	- 6.95

Governor/Joint Finance: Reduce position authorization by 6.95 positions annually and delete $824,300 annually in funding associated with the positions. The following positions would be deleted: (a) 1.0 executive position in the unclassified service; (b) 1.0 chief legal counsel; (c) 1.0 program and policy analyst; (d) 1.0 executive human resources manager; (e) 1.0 labor relations specialist-chief; (f) 1.0 labor relations specialist-senior; and (g) 0.95 executive human resources specialist-senior.

3. TRANSFER INFORMATION TECHNOLOGY POSITION FUNDING FOR DOA SHARED AGENCY SERVICES [LFB Paper 110]

	Positions
PR	- 1.00

Governor: Delete 1.0 information technology position annually from the OSER general program operations appropriation for a shared agency services pilot program under the Department of Administration (DOA). Funding associated with the position ($79,600 annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; (e) procurement services; and (f) information technology. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. Instead, transfer 1.0 information technology position and its associated funding of $79,600 PR annually ($58,600 annually in permanent salary funding and $21,000 annually in fringe benefits funding) from OSER to a new Division of Personnel Management under DOA. [See "Administration -- Transfers."]

4. ELIMINATE OFFICE AND TRANSFER FUNCTIONS TO THE DEPARTMENT OF ADMINISTRATION [LFB Paper 496]

	Funding	Positions
PR	- $11,350,900	- 42.00

Governor/Joint Finance: Delete $5,671,900 in 2015-16, $5,679,000 in 2016-17, and 42.0 positions annually and eliminate the Office of State Employment Relations, which is attached administratively to the Department of Administration (DOA). Repeal statutory language that authorizes seven unclassified OSER positions including the director, deputy director, executive assistant, three division administrators, and one employee who performs services relating to the coordination of state employee benefits. Transfer the funding, positions, and functions of OSER to a new Division of Personnel Management in DOA.

Delete the Division of Merit Recruitment and Selection, the State Employees Suggestion Board, and the Council on Affirmative Action which are in OSER and re-create them under DOA.

Under current law, the administrator of the Division of Merit Recruitment and Selection must be nominated by the Governor, and with the advice and consent of the Senate appointed for a five-year term, under the unclassified service from a register of at least five names certified to the Governor by the Director of OSER. The Director of OSER must prepare and conduct an examination for the position of administrator of the Division of Merit Recruitment and Selection according to the requirements for classified positions. The administrator of the Division of Merit Recruitment and Selection may be re-nominated by the Governor, and with the advice and consent of the Senate reappointed.

Under the bill, the director of the Bureau of Merit Recruitment and Selection under DOA would serve at the pleasure of the Secretary of DOA. The bill would delete the current process for selecting and filling the position of administrator of the Division of Merit Recruitment and Selection.

Transfer the following appropriations to supervision and management under DOA: (a) PR annual services to nonstate governmental units; (b) PR annual employee development and training services; (c) PR annual general program operations; (d) PR annual publications; and (e) PR annual collective bargaining grievance arbitrations. Delete the following OSER appropriations: (a) PR continuing gifts and donations; (b) FED continuing federal grants and contracts; and (c) FED continuing indirect cost reimbursements.

Specify that the assets, tangible personal property (including records), liabilities, contracts, pending matters, positions and classified employees of OSER (other than 6.95 PR positions) become the assets, tangible personal property (including records), liabilities, contracts, pending matters, positions and classified employees of DOA. Provide that all materials submitted to or actions taken by OSER would be considered as having been submitted to or taken by DOA. Specify that all transferred OSER employees would have the same rights and status as they had at OSER. Further, provide that OSER staff that had obtained permanent status would not have to undergo a probationary period at DOA. Provide that all rules and orders of OSER remain in effect until their specified expiration dates or until amended, modified, repealed, or rescinded by DOA. [See "Administration -- Transfers."]

5. TRANSFER OF UW SYSTEM EMPLOYEES' CONTINUOUS SERVICE BENEFITS

Joint Finance: Provide that the administrator of the Division of Personnel Management in the Department of Administration and the Board of Regents and the UW-Madison Chancellor would enter into a memorandum of understanding (MOU). Specify that the MOU would permit employees of the UW System who are appointed to positions in other state agencies to receive credit for their years of service with the UW System for the purposes of transferring continuous service benefits, including accumulated sick leave. Specify that the administrator of the Division of Personnel Management would promulgate rules necessary to implement the provisions of the MOU.

PROGRAM SUPPLEMENTS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$11,746,400	$9,682,000	$67,629,000	$57,947,000	598.5%	$55,882,600	475.7%
FED	4,000,000	0	0	0	N.A.	- 4,000,000	- 100.0
PR	12,400	0	0	0	N.A.	- 12,400	- 100.0
SEG	0	0	355,000	355,000	N.A.	355,000	N.A.
TOTAL	$15,758,800	$9,682,000	$67,984,000	$58,302,000	602.2%	$52,225,200	331.4%

FTE Position Summary

There are no authorized positions for Program Supplements.

Budget Change Item

1. JOINT COMMITTEE ON FINANCE APPROPRIATION FOR AGENCY SUPPLEMENTS [LFB Papers 201, 238, 366, and 368]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $2,064,400	$57,947,000	$55,882,600
FED	- 4,000,000	0	- 4,000,000
PR	- 12,400	0	- 12,400
SEG	0	355,000	355,000
Total	- $6,076,800	$58,302,000	$52,225,600

Governor: Decrease funding by $1,032,200 GPR, $2,000,000 FED, and $6,200 PR annually to eliminate reserved funding that was authorized in the 2013-15 budget for potential use in the 2013-15 biennium. Under this recommendation, $133,600 annually would remain in the JFC GPR supplemental appropriation for potential agency supplements in the 2015-17 biennium.

Joint Finance: Add the amounts identified in the table below to the Committee's

supplemental appropriations. Of the amounts identified, $18,900,000 GPR in 2015-16 and $12,400,000 GPR in 2016-17 is unreserved and unassigned. In total, the Committee would have unreserved supplemental funding of $19,033,600 GPR in 2015-16 and $12,533,600 GPR in 2016-17. The amount reserved for specific programs totals $27,002,000 ($4,469,600 GPR in 2015-16 and $22,177,400 GPR and $355,000 SEG in 2016-17).

Agency	Purpose	Funding Amount 2015-16	Funding Amount 2016-17	Fund Source
Corrections	Opioid Treatment Services	$836,700	$836,700	GPR
Children and Families	Bureau of Milwaukee Child Welfare (BMCW) Employee Retention Plan	500,000	500,000	GPR
Health Services	Income Maintenance Consortia Supplements	1,192,200	3,069,100	GPR
Health Services	Funeral and Cemetery Aids	970,700	428,700	GPR
Health Services	FoodShare Employment and Training Program	0	16,372,900	GPR
Health Services	Unreserved/Unassigned	1,000,000	0	GPR
Justice	Gun Violence Special Prosecutors	220,000	220,000	GPR
Natural Resources	Good Neighbor Authority	0	355,000	SEG
Public Instruction	Alternative Assessment Funding	750,000	750,000	GPR
WEDC	Unreserved/Unassigned	17,900,000	12,400,000	GPR
	Total	$23,369,600	$34,932,400	
		23,369,600	34,577,400	GPR
		0	355,000	SEG

PUBLIC DEFENDER

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$165,788,600	$170,245,600	$170,196,900	- $48,700	0.0%	$4,408,300	2.7%
PR	2,612,400	2,696,100	2,696,100	0	0.0	83,700	3.2
TOTAL	$168,401,000	$172,941,700	$172,893,000	- $48,700	0.0%	$4,492,000	2.7%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	574.85	620.60	609.85	-10.75	35.00
PR	5.00	5.00	5.00	0.00	0.00
TOTAL	579.85	625.60	614.85	-10.75	35.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$3,685,400
PR	83,700
Total	$3,769,100

Governor/Joint Finance: Provide adjustments to the base totaling $1,816,900 GPR and $41,700 PR in 2015-16, and $1,868,500 GPR and $42,000 PR in 2016-17. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits ($1,181,200 GPR and $27,000 PR annually); (b) overtime ($211,400 GPR and $2,800 PR annually); and (c) full funding of lease and directed moves costs ($424,300 GPR and $11,900 PR in 2015-16, and $475,900 GPR and $12,200 PR in 2016-17).

2. ELIMINATE BASE FUNDING FOR PAY PROGRESSION [LFB Paper 261]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $4,036,800	$481,300	- $3,555,500

Governor: Eliminate base funding for pay progression for assistant state public defenders (ASPD). Under 2013 Act 20, an annual GPR appropriation was created to supplement the Office of the State Public Defender's salary and fringe benefit funding in order to support annual salary adjustments for ASPDs under the pay progression plan. Base funding for the salary adjustments appropriation is $2,018,400. While the bill would eliminate base funding for pay progression for ASPDs, the bill would not eliminate the pay progression appropriation and statutory structure. However, any funding for pay progression salary adjustments in the 2015-17 biennium would need to be supported from within the agency's budget or from compensation reserves, or both.

Under 2013 Act 20, ASPDs are compensated pursuant to a merit-based pay progression plan that consists of 17 hourly salary steps, with each step equal to one seventeenth of the difference between the prosecutor's lowest possible annual salary ($49,430) and the highest possible annual salary ($119,472). Notwithstanding the creation of a 17 hourly salary step pay progression plan, the State Public Defender is authorized to: (a) deny annual salary increases to individual ASPDs; and (b) increase the salary of an individual ASPD by up to 10% a year.

Joint Finance: Provide the Office of the State Public Defender $481,300 in 2016-17 in order to support salary adjustments for eligible assistant state public defenders under the pay progression plan. The funding is intended to support a 2% average salary adjustment for eligible assistant state public defenders under the pay progression plan in 2016-17.

3. PRIVATE BAR COSTS

GPR	$2,818,000

Governor/Joint Finance: Provide $1,409,000 annually as a reestimate of funding necessary to pay private bar attorney costs. The State Public Defender employs trial and appellate attorneys who represent clients who qualify for SPD representation. Staff attorneys, however, do not represent all clients who qualify for SPD representation. Indigent legal defense cases are assigned by the SPD to private bar attorneys due to either an overflow cases in excess of what can be assigned to available SPD staff attorneys, or for cases in which staff attorneys may have a conflict of interest. Private bar attorneys assigned to SPD cases may be paid in one of the following ways: (a) at a rate of $40 per hour for time spent in and out of court related to a case, and $25 per hour for travel related to a case if any portion of the trip is outside the county in which the attorney's principal office is located or if the trip requires traveling a distance of more than 30 miles, one way, from the attorney's principal location; or (b) a flat, per case contracted fee that may not result in the private attorney receiving more than the attorney would have if the attorney was reimbursed under the method described under (a). Private bar reimbursements are supported by a biennial, GPR appropriation. Base funding for the appropriation is $23,155,400.

4. INCREASED STAFFING FOR THE PUBLIC DEFENDER [LFB Paper 500]

	Funding	Positions
GPR	- $40,800	35.00

Governor/Joint Finance: Provide $2,304,200 in 2015-16 and $2,686,000 in 2016-17, and 35.0 positions, in order for SPD staff to increase its workload capacity. Funding is comprised of the following: (a) $1,196,200 in 2015-16 and $1,594,900 in 2016-17 for permanent position

salaries; (b) $507,900 in 2015-16 and $677,200 in 2016-17 for fringe benefits; (c) $413,900 annually for supplies and services; and (d) $186,200 in 2015-16 for one-time financing. The 35.0 positions are comprised of: (a) 26.0 assistant state public defenders; (b) 5.2 legal secretaries; (c) 2.5 investigators; and (d) 1.3 client service specialists. Base funding for SPD trial and appellate representation is: (a) $48,534,900 GPR and 507.85 positions for trial representation; and (b) $4,498,600 GPR and 43.35 positions for appellate representation. All funding and position authority authorized under this provision is allocated towards trial representation.

Reduce funding for private bar and investigator reimbursements by $1,677,000 in 2015-16 and $3,354,000 in 2016-17. The reduction in funding is associated with estimated savings from having a greater number of SPD cases litigated by SPD staff, rather than private bar attorneys.

The State Public Defender employs trial and appellate attorneys who represent clients who qualify for SPD representation. Generally, the State Public Defender provides legal representation for indigent persons: (a) facing a possible sentence that includes incarceration; (b) involved in certain proceedings under the Children's and Juvenile Justice Codes (Chapters 48 and 938 of the Wisconsin statutes); (c) subject to petitions for protective placement (Chapter 55 of the Wisconsin statutes); (d) facing involuntary commitment; (e) involved in certain post-conviction or post-judgment appeals; and (f) undergoing proceedings for modification of a bifurcated sentence, if representation has been requested by the indigent person or the case has been referred by a court, and the Public Defender determines that the case should be pursued. In instances where SPD staff attorneys cannot be assigned an indigent legal defense case due to an overflow of cases in excess of what can be assigned to SPD staff, the SPD assigns the case to a private bar attorney.

5. CONFLICTS OFFICE CREATION [LFB Paper 501]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $142,000	10.75	$142,000	- 10.75	$0	0.00

Governor: Provide $709,600 in 2015-16 and $830,900 in 2016-17, and 10.75 positions, and direct the SPD to establish and administer a conflicts office in Milwaukee County as part of a two-year pilot program, beginning on the effective date of the budget bill. Under the bill, the conflicts office would represent clients in conflict of interest cases in Milwaukee County, Waukesha County, and Racine County. Funding would be comprised of the following: (a) $373,900 in 2015-16 and $498,500 in 2016-17 for permanent position salaries; (b) $158,800 in 2015-16 and $211,700 in 2016-17 for fringe benefits; (c) $120,700 annually for supplies and services; and (d) $56,200 in 2015-16 for one-time financing. The 10.75 positions would be comprised of: (a) 6.0 assistant state public defenders; (b) 1.0 assistant state public defender supervisor; (c) 2.0 legal secretaries; (d) 1.0 investigator; and (e) 0.75 client service specialist.

Reduce funding for private bar and investigator reimbursements by $560,800 in 2015-16 and $1,121,700 in 2016-17. The reduction in funding is associated with estimated savings from

having the conflicts office litigate cases that would normally be litigated by private bar attorneys.

While the State Public Defender employs trial and appellate attorneys who represent clients who qualify for SPD representation, staff attorneys do not represent all clients who qualify for SPD representation. If two potential SPD clients have conflicting or potentially conflicting interests, the SPD cannot represent both clients. Instead, the SPD must contract with private attorneys to represent at least one of the potential clients.

Joint Finance: Delete provision.

6. INTEREST RATES ON FIXED FEE CONTRACTS

Governor/Joint Finance: Exempt the State Public Defender from paying interest rates on payments toward fixed fee contracts with private attorneys who are assigned SPD cases. This provision would first apply to contracts entered into, modified, renewed, or extended, on the effective date of the budget bill. The exemption on interest payments would not apply to payments made to other private attorneys who are compensated based on the statutorily defined rate of: (a) $40 per hour for time spent related to a case; and (b) $25 per hour for travel.

Under current law, indigent legal defense cases are assigned by the SPD to private bar attorneys due to either an overflow of cases in excess of what can be assigned to available SPD staff attorneys, or cases in which staff attorneys may have a conflict of interest. Private bar attorneys assigned to SPD cases may be paid in one of the two following ways: (a) pursuant to the statutorily defined rate; or (b) a flat, per case contracted fee that may not result in the private attorney receiving more than the attorney would have if the attorney was reimbursed under the method described under (a). Payments that are made to private attorneys more than 120 days after the receipt of a properly completed invoice or the completion of the attorney's services, whichever is later, are subject to a 12% interest rate compounded monthly. [Under the state accounting manual, the SPD may make payments to private bar attorneys within 120 days of receipt without incurring interest fees, rather than within the 30 day limit that is established under statute.] In 2013-14, the SPD paid $400 in interest fees on fixed fee contracts.

7. CYBERSECURITY [LFB Paper 502]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,979,200	- $672,000	$1,307,200

Governor: Provide $1,325,600 in 2015-16 and $653,600 in 2016-17 for network server upgrades, broadband security, workstation security, and information technology infrastructure management related to cybersecurity improvements. According to the State Budget Office, funding will be utilized as follows: (a) $548,000 annually for network management and servers; (b) $105,600 annually for broadband network costs; (c) $326,000 in 2015-16 for infrastructure management; and (d) $346,000 in 2015-16 for security remediation. The cybersecurity

improvements would be managed by the Department of Administration's Division of Enterprise Technology.

Joint Finance: Delete one-time funding totaling $672,000 in 2015-16. The reduction of $672,000 in 2015-16 would account for the following services that the Department of Administration's Division of Enterprise Technology provided the SPD in 2014-15: (a) $326,000 for network and server management; and (b) $346,000 for an upgrade of SPD's operating system.

8. MADISON OFFICE CONSOLIDATION

GPR	$194,000

Governor/Joint Finance: Provide $194,000 of supplies and services funding in 2015-16 to support the consolidation of the Madison-based Public Defender offices. Currently, the Public Defender operates two offices in Madison. One office houses personnel performing duties related to providing trial and appellate representation to indigent clients. The other office houses personnel performing duties related to agency-wide administration. The funding would support the costs of relocating the administration staff to the trial and appellate representation office. On-going rent costs associated with the consolidation are addressed in the agency's standard budget adjustments.

9. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Office lapse $118,700 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

PUBLIC INSTRUCTION

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$11,065,102,000	$11,109,105,200	$11,354,425,000	$245,319,800	2.2%	$289,323,000	2.6%
FED	1,548,933,200	1,755,430,400	1,755,269,400	- 161,000	0.0	206,336,200	13.3
PR	85,928,200	87,824,800	87,497,600	- 327,200	- 0.4	1,569,400	1.8
SEG	105,553,600	112,104,600	115,104,600	3,000,000	2.7	9,551,000	9.0
TOTAL	$12,805,517,000	$13,064,465,000	$13,312,296,600	$247,831,600	1.9%	$506,779,600	4.0%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	253.43	250.47	250.47	0.00	- 2.96
FED	309.19	301.89	301.89	0.00	- 7.30
PR	84.64	81.69	81.69	0.00	- 2.95
TOTAL	647.26	634.05	634.05	0.00	- 13.21

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION [LFB Paper 505]

Governor: Provide $5,125,577,200 in 2015-16 and $5,377,050,000 in 2016-17 for general and categorical school aids. Compared to the 2014-15 base level funding of $5,241,687,000, school aids would decrease by $116,109,800 (-2.2%) in 2015-16 and increase by $135,363,000 (2.6%) in 2016-17. These proposed funding levels would represent annual changes to the prior year of -2.2% in 2015-16 and 4.9% in 2016-17.

Under the traditional definition of state funding for support of K-12 education (the sum of state general and categorical school aids, the school levy and first dollar credits, and the general program operations appropriation for the program for the deaf and the center for the blind), the

bill would decrease state support from the base amount of $6,149,875,000 in 2014-15 to $6,139,815,100 in 2015-16 and increase it to $6,391,287,900 in 2016-17. These proposed funding levels would represent annual changes to the prior year of -0.2% in 2015-16 and 4.1% in 2016-17.

Using the traditional definition of partial school revenues (the sum of state school aids and property taxes levied for school districts), the administration estimates that state support of partial school revenues would increase from 62.3% in 2014-15 to approximately 62.5% in 2015-16 and 63.8% in 2016-17. These estimates incorporate the state support funding in the bill, which is presented in Table 1.

Joint Finance: Provide $5,244,540,400 in 2015-16 and $5,444,611,300 in 2016-17 for general and categorical school aids. Compared to the Governor's recommendations, school aids would be increased by $118,963,200 in 2015-16 and $67,561,300 in 2016-17. Compared to the 2014-15 base year, school aids would increase by $2,853,400 (0.1%) in 2015-16 and $202,924,300 (3.9%) in 2016-17. These proposed funding levels would represent annual changes to the prior year of 0.1% in 2015-16 and 3.8% in 2016-17.

Using the traditional definition of state support of K-12 education, total funding would increase from $6,149,875,000 in 2014-15 to $6,258,778,300 in 2015-16 and $6,458,849,200 in 2016-17. These funding levels would represent annual changes to the prior year of 1.8% in 2015-16 and 3.2% in 2016-17. With the changes K-12 school finance adopted by Joint Finance, it is estimated that state support of partial school revenues would be 62.9% in 2015-16 and 63.9% in 2016-17. A summary of the funding amounts for state support under the recommendations of the Governor and Joint Finance is presented in Table 1.

TABLE 1

State Support for K-12 Education

	2014-15	Governor		Joint Finance	
	Base Year	2015-16	2016-17	2015-16	2016-17
General School Aids	$4,492,790,500	$4,492,790,500	$4,600,928,000	$4,492,790,500	$4,600,928,000
Categorical Aids	748,896,500	632,786,700	776,122,000	751,749,900	843,683,300
School Levy Tax Credit	747,400,000	853,000,000	853,000,000	853,000,000	853,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	10,788,000	11,237,900	11,237,900	11,237,900	11,237,900
Total	$6,149,875,000	$6,139,815,100	$6,391,287,900	$6,258,778,300	$6,458,849,200
Change to Prior Year:					
Amount		-10,059,900	251,472,800	108,903,300	200,070,900
Percent		-0.2%	4.1%	1.8%	3.2%
Change to Base:					
Amount		-10,059,900	241,412,900	108,903,300	308,974,200
Percent		-0.2%	3.9%	1.8%	5.0%

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the funding recommendations of the Governor and Joint Finance for each

general and categorical school aid program as compared to the 2014-15 base funding level. The recommendations of the Governor and Joint Finance relating to individual school aid programs are summarized in the items that follow.

TABLE 2

State Support for K-12 Education by Fund Source

	2014-15	Governor		Joint Finance	
	Base Year	2015-16	2016-17	2015-16	2016-17
GPR					
General School Aids	$4,492,790,500	$4,492,790,500	$4,600,928,000	$4,492,790,500	$4,600,928,000
Categorical Aids	701,953,400	578,095,000	719,630,300	704,937,300	794,070,700
School Levy Tax Credit	747,400,000	853,000,000	853,000,000	853,000,000	853,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	10,788,000	11,237,900	11,237,900	11,237,900	11,237,900
GPR Subtotal	$6,102,931,900	$6,085,123,400	$6,334,796,200	$6,211,965,700	$6,409,236,600
PR					
Categorical Aids	1,507,500	1,507,500	1,507,500	1,507,500	1,507,500
SEG					
Categorical Aids	45,435,600	53,184,200	54,984,200	45,305,100	48,105,100
Total State Support - All Funds	$6,149,875,000	$6,139,815,100	$6,391,287,900	$6,258,778,300	$6,458,849,200

TABLE 3

General and Categorical School Aid by Funding Source
2014-15 Base Year Compared to the Governor and Joint Finance

Agency	Type and Purpose of Aid	2014-15 Base Year	Governor 2015-16	Governor 2016-17	Joint Finance 2015-16	Joint Finance 2016-17
	General Aid					
DPI	General School Aids	$4,475,960,500	$4,475,960,500	$4,584,098,000	$4,475,960,500	$4,584,098,000
	High Poverty Aid	16,830,000	16,830,000	16,830,000	16,830,000	16,830,000
	Total General Aid	$4,492,790,500	$4,492,790,500	$4,600,928,000	$4,492,790,500	$4,600,928,000
	Categorical Aid--GPR Funded					
DPI	Special Education	$368,939,100	$368,939,100	$368,939,100	$368,939,100	$368,939,100
	High-Cost Special Education Aid	3,500,000	3,500,000	3,500,000	3,500,000	8,500,000
	Supplemental Special Education Aid	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000
	Spec. Ed. Transitions Incentive Grants	0	0	0	0	100,000
	Per Pupil Aid	126,975,000	0	141,907,800	126,842,300*	211,248,200
	SAGE	109,184,500	109,184,500	109,184,500	109,184,500	109,184,500
	SAGE -- Debt Service	133,700	133,700	133,700	133,700	133,700
	Pupil Transportation	23,703,600	23,954,000	23,954,000	23,954,000	23,954,000
	High Cost Transportation	5,000,000	7,500,000	7,500,000	7,500,000	7,500,000
	Sparsity Aid	13,453,300	17,674,000	17,674,000	17,674,000	17,674,000
	Bilingual-Bicultural Education	8,589,800	8,589,800	8,589,800	8,589,800	8,589,800
	Tuition Payments	8,242,900	8,242,900	8,242,900	8,242,900	8,242,900
	Head Start Supplement	6,264,100	6,264,100	6,264,100	6,264,100	6,264,100
	Educator Effectiveness Grants	5,746,000	5,746,000	5,746,000	5,746,000	5,746,000
	School Lunch	4,218,100	4,218,100	4,218,100	4,218,100	4,218,100
	County Children with Disabilities Education Boards	4,067,300	4,067,300	4,067,300	4,067,300	4,067,300
	Career and Technical Education Grants**	3,000,000	0	0	0	0
	School Breakfast	2,510,500	2,510,500	2,510,500	2,510,500	2,510,500
	Peer Review and Mentoring	1,606,700	1,606,700	1,606,700	1,606,700	1,606,700
	Four-Year-Old Kindergarten Grants	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
	School Day Milk	617,100	617,100	617,100	617,100	617,100
	Aid for Transportation--Open Enrollment	434,200	434,200	434,200	434,200	434,200
	Cooperative Educational Service Agencies	260,600	0	0	0	0
	Gifted and Talented	237,200	237,200	237,200	237,200	237,200
	Supplemental Aid	100,000	100,000	100,000	100,000	100,000
	Aid for Transportation--Youth Options	17,400	17,400	17,400	17,400	17,400
DOA	Debt Service -- Tech. Infrastructure Bonding	2,052,300	1,458,400	1,085,900	1,458,400	1,085,900
	Total Categorical Aid--GPR Funded	$701,953,400	$578,095,000	$719,630,300	$704,937,300	$794,070,700
	Categorical Aid--PR Funded					
DPI	AODA	$1,284,700	$1,284,700	$1,284,700	$1,284,700	$1,284,700
	Tribal Language Revitalization Grants	222,800	222,800	222,800	222,800	222,800
	Total Categorical Aid--PR Funded	$1,507,500	$1,507,500	$1,507,500	$1,507,500	$1,507,500
	Categorical Aid--SEG Funded					
DPI	School Library Aids	$34,000,000	$36,000,000	$38,000,000	$36,000,000	$38,000,000
DOA	Educational Telecommunications Access Support	$11,105,100	$16,984,200	$16,984,200	$9,105,100	$10,105,100
UW	Environmental Education--Forestry	200,000	200,000	0	200,000	0
	Environ. Educ. -- Environmental Assessments	130,500	0	0	0	0
	Total Categorical Aid--SEG Funded	$45,435,600	$53,184,200	$54,984,200	$45,305,100	$48,105,100
	Total Categorical Aid--All Funds	$748,896,500	$632,786,700	$776,122,000	$751,749,900	$843,683,300
	Total School Aid--All Funds	$5,241,687,000	$5,125,577,200	$5,377,050,000	$5,244,540,400	$5,444,611,300

*Per pupil aid for 2015-16 enrollments would be paid on a one-time delayed basis in July of 2016.

**Funding for this purpose may be available to school districts from the Department of Workforce Development.

2. GENERAL SCHOOL AIDS [LFB Paper 505]

GPR	$108,137,500

Governor/Joint Finance: Provide $108,137,500 in 2016-17 for general school aids. Under current law, the general school aids appropriation funds equalization, integration, and special adjustment aid. General school aids funding would remain at base level funding of $4,475,960,500 in 2015-16 and increase to $4,584,098,000 in 2016-17. This would represent an increase of 2.4% in 2016-17 compared to the prior year.

3. INTEGRATION AID (CHAPTER 220) [LFB Paper 506]

Governor: Prohibit any pupils from participating in the Chapter 220 program unless those pupils were participating in the program in the 2014-15 school year.

Specifically, beginning on the effective date of the bill, prohibit a school board from entering into a written agreement with another school board under the interdistrict transfer program, except to enter into an annual written agreement with another board on behalf of a pupil that attended a public school under a written agreement in the 2014-15 school year. Prohibit a school board from allowing a pupil to attend a school under the intradistrict transfer program unless the pupil attended a school under the program in the 2014-15 school year. Specify that pupil transfers that qualify for aid under a plan implemented by a school board to reduce racial imbalance in a school district or attendance area and part-time pupil transfers would be permitted only for pupils attending under the plan in the 2014-15 school year. Specify that a school district would only receive integration aid for pupils who attended a public school in the school district under an eligible transfer agreement or plan in the 2014−15 school year.

Under the integration aid program (commonly called Chapter 220 after the 1975 session law), the state provides funds as an incentive for districts to voluntarily improve racial balance within and between school districts. To be eligible, a district must transfer pupils between attendance areas or districts with certain concentrations of minority or nonminority pupil populations.

Integration aid is calculated through two different formulas depending upon whether a pupil is transferred within a district (intradistrict) or from one district to another (interdistrict). Intradistrict aid is equal to the district's equalization aid per pupil multiplied by 25% of the number of eligible transfer pupils. In 2014-15, four districts (Milwaukee, Racine, Madison, and Wausau) are eligible for $44.8 million in gross intradistrict aid. As part of the neighborhood schools initiative in 1999 Act 9, a hold harmless was established on the amount of intradistrict aid that would be received by the Milwaukee Public Schools, which is generally equal to the greater of: (a) the 1998-99 aid amount ($32.9 million); or (b) the actual aid entitlement generated under the formula. This hold harmless would no longer apply in the year after the last principal and interests payments are made on the bonds issued pursuant to Act 9. The last debt service payment is scheduled to be made in 2023-24.

Under an interdistrict transfer agreement, the receiving district is paid an amount equal to its average net cost per pupil for each transfer accepted. In 2014-15, Milwaukee and 21 suburban districts are eligible for $20.5 million in gross interdistrict aid. The sending school

district counts pupils transferred to another district as 0.75 pupil for revenue limit and general aid purposes.

Integration aid funding is provided as a first draw from the general school aids appropriation. Thus, to the extent that less integration aid would be distributed under the bill provisions, more aid would be distributed through the equalization formula. Under the bill, it is possible that a four-year-old kindergarten pupil participating in the program in the 2014-15 school year could continue in the program until 2027-28.

Joint Finance: Modify the Governor's recommendation to: (a) specify that a pupil currently attending a K-8 district under the Chapter 220 program would be allowed to continue to attend the associated union high school (UHS) district under the program; and (b) delay the beginning of the phase-out of the program by one year by prohibiting pupils from participating unless they were in the program in the 2015-16 school year. In addition, create a hold harmless provision under which a district's integration aid entitlement in a given year could not be less than an amount equal to their 2014-15 aid entitlement multiplied by the following amounts in the indicated year: (a) 87.5% in 2015-16; (b) 75% in 2016-17; (c) 62.5% in 2017-18; (d) 50% in 2018-19; (e) 37.5% in 2019-20; (f) 25% in 2020-21; and (g) 12.5% in 2021-22.

4. SCHOOL LEVY TAX CREDIT [LFB Paper 595]

Governor: Increase the school levy tax credit distribution beginning in the 2015(16) property tax year by $105.6 million, above base level funding of $747.4 million. Specify that the $105.6 million increase for the 2015(16) property tax year would be paid on a delayed basis on the fourth Monday of July in the 2016-17 fiscal year, consistent with the payment of base funding under current law. Specify that, beginning with the 2016(17) property tax year, $105.6 million in funding for the credit would be paid on a current year basis on the fourth Monday of June in the current fiscal year, rather than on a delayed basis in the following fiscal year. [See "Shared Revenue and Tax Relief -- Property Tax Credits" for more information on this item.]

Joint Finance: Delete the bill provisions under which a portion of the school levy tax credit would begin to be paid on a current year basis beginning with the 2016(17) property tax year. Under Joint Finance, all funding for the school levy tax credit, including the $105.6 million increase beginning with the 2015(16) distribution, will be paid on a delayed basis on the fourth Monday of July of the subsequent fiscal year, as under current law.

5. REVENUE LIMIT PER PUPIL ADJUSTMENT [LFB Paper 505]

Governor/Joint Finance: Maintain current law as established in the 2013-15 biennial budget (2013 Act 20) under which there would be no per pupil adjustment under revenue limits in the 2015-16 school year and each year thereafter.

6. REVENUE LIMIT FOR CONSOLIDATED SCHOOL DISTRICTS

Joint Finance: Delete current law provisions for consolidation aid in the sixth and seventh years after consolidation. Instead, specify that a school district that received consolidation aid in the 2014-15 school year would receive a recurring revenue limit adjustment in the 2015-16 school year equal to 75% of the district's 2014-15 consolidation aid. (The Chequamegon and Chetek-Weyerhaeuser School Districts would be eligible for this adjustment.) Specify that, for future consolidations, the consolidated district would receive a recurring revenue limit adjustment in the sixth year after consolidation equal to 75% of the consolidation aid that is outside of revenue limits received by the district in the fifth year after consolidation.

Under current law, in calculating equalization aid for a consolidated district for the first five years after the consolidation, the cost ceilings and guaranteed valuations in the formula are increased by 15%, which has the effect of providing additional aid to consolidated districts. In the sixth and seventh years, these factors are increased by 10% and 5%, respectively. In each of the first five years after consolidation, districts are also eligible for special adjustment aid under which the new district is guaranteed to receive at least as much general aid as the separate districts received in the year prior to consolidation. If a consolidated district receives this special adjustment aid in the fifth year after consolidation, that district is guaranteed to receive an amount in the sixth and seventh years equal to 66% and 33% of the fifth-year amount, respectively.

7. ENVIRONMENTAL REMEDIATION ON SCHOOL DISTRICT PROPERTY

Joint Finance: Allow a school district to issue to up $2,000,000 in debt for the costs associated with an environmental remediation project on district-owned property under a DNR and EPA approved remediation plan. Specify that the debt issuance would not be subject to current law referendum requirements, that the associated debt service costs would not be subject to the district's revenue limit, and that any debt service costs would be excluded from shared costs under the equalization aid formula.

Categorical Aids

1. PER PUPIL AID [LFB Paper 510]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $112,042,200	$196,182,700	$84,140,500

Governor: Delete $126,975,000 in 2015-16 and provide $14,932,800 in 2016-17 relative to base level funding of $126,975,000 for per pupil aid. Under the bill, no funding would be

provided for this aid in 2015-16 and $141,907,800 would be provided in 2016-17. Based on current enrollment, an estimated $165 to $170 per pupil aid payment would be made in 2016-17 under the bill provisions.

Change the per pupil aid appropriation from a sum sufficient to a sum certain appropriation. Specify that aid per pupil in a given fiscal year would be calculated by dividing the appropriated amount by the total number of pupils enrolled in all school districts in that school year, and that each district's total payment would be determined by multiplying that per pupil amount by the number of pupils enrolled in the district in the current year. For the purpose of submitting its agency budget request for the 2017-19 biennial budget bill, require DPI to submit information concerning the per pupil aid appropriation as though the amount of that appropriation for 2016-17 was zero.

Under current law, per pupil aid is paid from a sum sufficient appropriation from which each district receives a $150 per pupil payment in 2014-15 and each year thereafter, outside of revenue limits. A district's current three-year rolling average pupil count under revenue limits is used to calculate the aid payment.

Joint Finance: Provide $126,842,300 in 2016-17 for per pupil aid payments based on 2015-16 enrollments. Specify that, on a one-time basis, this aid be paid on a delayed basis on the second Monday in July of 2016. Specify that this delayed payment would be considered as moneys appropriated in 2015-16 for the purposes of calculating an increase in categorical aid funding per pupil for indexing the payments for the choice, charter, and open enrollment programs. Provide an additional $69,340,400 in 2016-17 for per pupil aid payments based on 2016-17 enrollments. Specify that this aid be paid on a current year basis, as under current law.

Also, delete the provisions that: (a) change the per pupil appropriation from sum sufficient to a sum certain; (b) modify the calculation of the aid payment; and (c) require that DPI submit information in its 2017-19 agency budget request as though the amount of the appropriation for 2016-17 was zero.

As a result, under Joint Finance, there would be a $150 per pupil aid payment for the 2015-16 school year and a $250 per pupil aid payment for the 2016-17 school year and each year thereafter.

2. SPARSITY AID [LFB Paper 511]

GPR	$8,441,400

Governor/Joint Finance: Provide $4,220,700 annually above base level funding of $13,453,300 for sparsity aid for small, rural districts. Delete current law requirement that at least 20% of a school district's pupils must qualify for free or reduced-price lunch for the district to qualify for sparsity aid.

Under current law, districts qualify for $300 per pupil if, in the prior school year, they met the free or reduced-price lunch criteria, had an enrollment of less than 725 pupils, and had a population density of less than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. Based on prior year data, in its agency budget request DPI

estimated that in 2014-15, aid will be prorated at 79%, or $236 per pupil, and 133 districts will be eligible for aid. DPI indicated that an additional five districts would have qualified for aid in 2014-15 had the free and reduced price lunch criteria not applied. The funding in this item would provide full funding for the program based on DPI estimates.

3. HIGH COST TRANSPORTATION AID [LFB Paper 512]

GPR	$5,000,000

Governor/Joint Finance: Provide $2,500,000 annually above base level funding of $5,000,000 for high-cost transportation aid for districts with a transportation cost per member greater than 150% of the state average. Specify that only those districts with a pupil population density of 50 pupils per square mile or less, calculated by dividing the school district's membership in the previous school year by the district's area in square miles, would be eligible to receive aid. In 2013-14, 128 districts qualified for aid. DPI indicates that four districts would lose their eligibility based on the pupil population density eligibility criterion.

4. PUPIL TRANSPORTATION -- INDEPENDENT "2R" CHARTER SCHOOLS

GPR	$500,800

Governor/Joint Finance: Provide $250,400 annually above base level funding of $23,703,600 in the appropriation for pupil transportation aid.

Allow the operator of an independent "2r" charter school to provide transportation to pupils attending the charter school and claim state aid from the appropriation for pupil transportation aid. The additional funding provided would fund reimbursement of transportation costs for pupils attending independent "2r" charter schools.

Require that the operator of an independent "2r" charter school that provided pupil transportation submit an annual report to DPI that would include the number of pupils for whom transportation was provided and any other information related to pupil transportation required by DPI. The report would be due on a date selected by DPI, no earlier than the end of the school year and no later than September 1. Independent "2r" charter school operators would be subject to the same reimbursement rates and payment date as school districts and, like school districts, would be eligible for additional transportation funding if funding in the appropriation for pupil transportation aid exceeded the amount of approved claims.

Under current law, only public school districts are eligible for pupil transportation aid.

5. PUPIL TRANSPORTATION -- REIMBURSEMENT RATES

Governor/Joint Finance: Provide that the reimbursement rate for pupils transported over 12 miles between home and school would be increased from $275 to $300 per pupil beginning with the 2015-16 school year. No funding is associated with this change, as it is estimated that base level funding would be sufficient to fund the higher rate. The current law reimbursement rates are shown in the following table.

Mileage	Current Law (Full Year)
0-2 (hazardous area)	$15
2-5	35
5-8	55
8-12	110
Over 12 miles	275

6. DELETE CAREER AND TECHNICAL EDUCATION INCENTIVE GRANT [LFB Paper 730]

GPR	- $6,000,000

Governor: Delete $3,000,000 annually to eliminate base level funding for grants to school districts for career and technical education. Under the program, school districts with an industry-recognized certification program approved by the State Superintendent are eligible for a payment of $1,000 for each pupil who graduates from a high school in the district with an industry-recognized certificate in addition to a high school diploma or technical education diploma.

Delete current law requiring the State Superintendent to do the following: (a) annually identify industries and occupations with workforce shortages or shortages of adequately trained entry-level workers, with the input of the Department of Workforce Development and the Wisconsin Technical College System; (b) inform school districts of the identified industries and occupations; (c) publish the identified industries and occupations on DPI's Internet site; and (d) approve industry-recognized certification programs designed to mitigate workforce shortages in any of the identified industries or occupations.

Under the bill, additional funding would be provided in a workforce training grant appropriation under the Department of Workforce Development (DWD) and career and technical education incentive grants would be added as an allowable grant. See the summary entry under "Workforce Development" for more information.

Joint Finance: Modify the Governor's recommendation to require that DWD make awards of at least $3,000,000 annually to school districts, with $1,000 awarded to districts for each pupil who meets the criteria established for the DPI program under current law. See the summary entry under "Workforce Development" for more information.

7. REESTIMATE SCHOOL LIBRARY AIDS

SEG	$6,000,000

Governor/Joint Finance: Reestimate school library aids by $2,000,000 in 2015-16 and $4,000,000 in 2016-17. Base level funding is $34,000,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

8. DELETE STATE AID TO COOPERATIVE EDUCATIONAL SERVICE AGENCIES (CESAS) [LFB Paper 513]

GPR	- $521,200

Governor: Delete $260,600 annually to eliminate base level funding for state aid to the 12 CESAs. Even though no funding would be provided, the bill would modify the current appropriation to specify that state payments may not exceed $25,000 annually to each CESA to match any federal funds received by the CESA for vocational education administration.

Delete current law specifying that state aid is provided for the maintenance and operation of the office of the Board of Control and CESA administrator and requiring each CESA to submit an annual report to the State Superintendent by August 1 including a detailed certified statement of its expenses for the prior year and showing that state aid was spent according to the statutory guidelines. Delete current law specifying that a CESA's state aid cannot exceed the CESA's actual expenditures in the prior year, as certified in the annual report.

Provide that beginning in 2015-16, each school board of a district participating in a CESA would pay its proportional share of the cost of the maintenance and operation of the office of the Board of Control and CESA administrator and would match any federal funds received by the CESA for vocational education administration. Require the Board of Control to determine each district's proportional share of the cost of the office's maintenance and operation and federal match amount.

Delete current law establishing the state reimbursement for the cost of the CESA administrator's salary as equal to the lesser of the actual salary paid or the maximum of the salary range for a DPI supervisor under the State Superintendent.

Delete current law requiring each school board that participates in a CESA to pay that CESA's Board of Control an amount equal to the amount of state aid paid to the CESA in that year multiplied by the school district's proportion of the average daily pupil membership of the CESA.

Joint Finance: Delete the provision specifying that each school board of a district participating in a CESA would pay its proportional share of the cost of the maintenance and operation of the office of the Board of Control and CESA administrator and would match any federal funds received by the CESA for vocational education administration. Delete the provision requiring the Board of Control to determine each district's proportional share of those costs.

9. SCHOOL DISTRICT PARTICIPATION IN COOPERATIVE EDUCATIONAL SERVICE AGENCIES (CESAS) [LFB Paper 513]

Governor/Joint Finance: Allow any school district to withdraw from a CESA after adopting a resolution to do so and immediately notifying the CESA's Board of Control and the State Superintendent. As a result, specify that territory from a school district that withdrew from a CESA could be outside of a CESA area. Provide that a resolution adopted prior to January 15 would be effective on the following July 1, while a resolution adopted after January 15 would be

effective on the second following July 1. If a school district adopted a resolution to withdraw from a CESA within 30 days of the effective date of the bill, the resolution would be effective on July 1, 2015.

Allow the school board of a school district that withdrew from a CESA and was not in any other CESA to contract with DPI for programs and services the district would be receiving if it were part of a CESA.

Provide that a school district that withdrew from a CESA could rejoin the CESA by adopting a resolution to do so and immediately notifying the Board of Control and the State Superintendent of the resolution to rejoin.

Provide that no cost could be assessed against a school district that had withdrawn from a CESA for expenses incurred while the district was not part of the CESA.

Under current law, only a school district in CESA 1, which includes districts in the southeastern part of the state including the Milwaukee area, can withdraw from a CESA.

10. ALTERNATIVE DETERMINATION OF PUPIL ECONOMIC STATUS

Governor/Joint Finance: Allow the State Superintendent to use an alternative data collection method established by DPI to identify pupils who satisfy the federal income eligibility criteria for a free or reduced-price lunch. Under current law, DPI uses applications for free or reduced price lunch to determine pupil eligibility for several state aid programs and for pupil demographic analysis. Pupils qualify for a free lunch with a family income equal to less than 130% of the federal poverty line, and for a reduced price lunch with a family income equal to between 130% and 185% of the federal poverty line. Under the federal community eligibility provision, beginning in the 2014-15 school year, eligible local education agencies and schools can provide free meals to all pupils in high poverty schools without collecting household applications to determine pupil eligibility for free and reduced price meals.

Modify current law to allow the alternative data collection method to be used to determine pupil, school, or district eligibility for the following programs: (a) the school day milk program, which provides milk to low-income pupils in preschool through fifth grade; (b) grants for teacher certification or master educator licensure, which provides larger grants to teachers in schools in which at least 60% of pupils are low-income; (c) pre-college scholarships for low-income pupils who enroll in classes or programs designed to improve academic skills necessary for success in postsecondary school; (d) the student achievement guarantee in education (SAGE) program, which provides school districts with up to $2,250 for each low-income pupil in grades K-3 if the school reduces class sizes and meets other requirements; (e) aid to reimburse transportation costs incurred by the parent or guardian of a low-income open enrollment pupil; (f) aid to reimburse transportation costs incurred by the parent or guardian of a pupil enrolled in course options or youth options, giving priority to low-income pupils; (g) full-day five-year-old kindergarten programs in MPS enrolling only low-income pupils; (h) advanced placement examinations paid for by a pupil's school board; (i) transportation provided to low-income pupils who do not otherwise qualify for transportation; and (j) high poverty aid, distributed to districts at which at

least 50% of pupils are low-income. Allow school districts to use the alternative data collection method to report the number of low-income pupils who transferred to the district under the Chapter 220 school integration program.

11. HIGH-COST SPECIAL EDUCATION AID

GPR	$5,000,000

Joint Finance: Provide $5,000,000 GPR in 2016-17 for high-cost special education aid. Specify that applicants could qualify for reimbursement of up to 70% of eligible costs, rather than 90% as under current law.

Under the current law program, school districts, CESAs, County Children with Disability Education Boards (CCDEBs), and independent charter schools are eligible for high-cost aid for 90% of non-administrative costs above $30,000 for an individual pupil in the previous school year, if the costs were not reimbursed by state special education categorical aid, federal Individuals with Disabilities Education Act (IDEA), or the federal Medicaid program. If funding is insufficient, payments are prorated.

12. SPECIAL EDUCATION TRANSITIONS INCENTIVE GRANTS

GPR	$100,000

Joint Finance: Provide $100,000 GPR beginning in 2016-17 in a new appropriation for special education transitions incentive grants.

Specify that school districts or independent "2r" charter schools would receive $1,000 for each pupil who in 2014-15 or 2015-16 attended a school in the district or the charter school and who had an individualized education program (IEP) in place, and who meets one of the following criteria at the time the school district or charter school operator applies for an incentive grant: (a) the individual enrolled in a higher education program within one year of leaving high school; (b) the individual is, or was, competitively employed within one year of leaving high school; or (c) the individual enrolled in another postsecondary education or training program within one year of leaving high school. Define higher education program as a four-year program at a college or university, a two-year program at a college or community college, or a two-year program at a technical college. Define competitively employed as 90 days of cumulative or consecutive work paying minimum wage or greater for an average of at least 20 hours per week in a setting with others who are not disabled. Define another postsecondary education or training program as a high school completion or equivalency program, vocational school, apprenticeship or short-term training program, on-the-job training program, adult education program, or program other than a two-year program at a vocational or technical school.

Specify that aid would be prorated if the appropriation were insufficient to meet the eligible district claims.

13. SUPPLEMENTAL SPECIAL EDUCATION AID FOR DISTRICT WITH SPECIAL CIRCUMSTANCES

Joint Finance: Specify that funds remaining in the appropriation for supplemental special education aid at the end of the 2014-15 fiscal year would be distributed to a school district that meets the following requirements: (a) a revenue limit per pupil below the state average; (b) a membership of less than 2,000 pupils; (c) the district qualified for supplemental special education aid in 2013-14; and (d) the district experienced a natural disaster, including a fire, that caused the district's total costs to increase such that special education costs were less than 16% of the district's total costs in that year.

Specify that a district could qualify for supplemental special education aid in the 2015-16 school year if it meets current law criteria or the following alternative criteria: (a) a revenue limit per pupil below the state average; (b) a membership of less than 2,000 pupils; (c) the district qualified for supplemental special education aid in 2013-14; and (d) the district experienced a natural disaster, including a fire, that caused the district's total costs to increase such that special education costs were less than 16% of the district's total costs in the 2014-15 school year.

Under current law, a district must meet three criteria to qualify for supplemental special education aid, based on prior year data: (a) a revenue limit below the statewide average; (b) a membership of less than 2000 pupils; and (c) special education costs equal to more than 16% of the district's total costs. In 2014-15, $1,750,000 is appropriated for the program, and it is estimated that 11 districts will qualify for $1,650,000 in aid based on these criteria. This provision would apply to the Oconto Unified School District, which experienced a fire that damaged a school building in April, 2014.

Choice, Charter, and Open Enrollment

1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM -- CURRENT LAW REESTIMATE [LFB Paper 520]

GPR	$21,507,400
Aid Reductions	- 12,553,900
Net GPR	$34,061,300

Governor/Joint Finance: Provide $7,082,200 in 2015-16 and $14,425,200 in 2016-17 over the base year funding of $190,483,300 for the Milwaukee private school choice program to reflect changes in pupil participation under current law. This would reflect an increase in pupil participation from 25,905 pupils in 2014-15 to an estimated 26,905 pupils in 2015-16 and 27,905 pupils in 2016-17.

Under current law, the estimated cost to the state of the payments from the Milwaukee choice program appropriation is partially offset by a reduction (after consideration of aid paid to the City of Milwaukee to defray the choice levy) in the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 28.8% of the total cost of the program

in 2015-16 and 25.6% of the total cost of the program in 2016-17. The aid reduction will decrease by 3.2 percentage points each year until it is phased out in 2024-25. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction (less the amount of high poverty aid paid to MPS).

Under the bill, the aid reduction for MPS would decrease by $4,055,800 in 2015-16 and $8,498,100 in 2016-17 from the base choice reduction of $60,954,700 as a result of this reestimate. The net general fund fiscal effect for the Milwaukee program would be increased expenditures of $11,138,000 in 2015-16 and $22,923,300 in 2016-17.

2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- CURRENT LAW REESTIMATE [LFB Paper 520]

GPR	- $4,288,200

Governor/Joint Finance: Reduce funding for the Racine and statewide private school choice programs by $2,144,100 annually from base year funding of $21,978,800. This would reflect actual expenditures from 2014-15, and excludes pupils new to the programs after 2014-15.

3. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM -- PER PUPIL PAYMENTS [LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$3,336,600	$3,336,600
Aid Reduction	0	864,500	864,500
Net GPR	$0	$2,472,100	$2,472,100

Governor: Set the maximum per pupil payment for the Milwaukee private school choice program equal to $7,210 for a pupil in grades K-8 and $7,856 for a pupil in grades 9-12 in 2015-16 and 2016-17. Set the maximum per pupil payment in 2017-18 and any year thereafter equal to the maximum payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

Under current law, the 2014-15 per pupil payment equals $7,210 for a pupil in grades K-8 and $7,856 for a pupil in grades 9-12, with annual increases beginning in 2015-16 equal to the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the payment amounts would remain unchanged in 2015-16 and increase by an estimated $170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

Joint Finance: Delete the bill provision delaying the current law indexing mechanism that would increase the choice payment in each year beginning in 2015-16 by the revenue limit

per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. As a result, choice program per pupil payments would increase to an estimated $7,222 for a K-8 pupil and $7,868 for a 9-12 pupil in 2015-16 and $7,330 for a K-8 pupil and $7,976 for a 9-12 pupil in 2016-17 (an increase of $12 in 2015-16 and $108 in 2016-17 compared to the prior year).

Reestimate payments from the appropriation for the Milwaukee choice program based on the increased per pupil payment in 2015-16 and 2016-17 relative to the bill. Payments would increase by an estimated $322,900 GPR in 2015-16 and $3,013,700 GPR in 2016-17, while the aid reduction would increase by approximately $93,000 in 2015-16 and $771,500 in 2016-17. The estimated net GPR effect is $229,900 in 2015-16 and $2,242,200 in 2016-17.

4. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- PER PUPIL PAYMENTS [LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$678,000	$678,000
Aid Reduction	0	462,000	462,000
Net GPR	$0	$216,000	$216,000

Governor: Set the maximum per pupil payment for pupils in the Racine or statewide private school choice programs who participated in the program prior to the 2015-16 school year equal to $7,210 for a pupil in grades K-8 and $7,856 for a pupil in grades 9-12 in 2015-16 and 2016-17. For a pupil who participated in the Racine or statewide private school choice programs prior to the 2015-16 school year, set the maximum per pupil payment in 2017-18 and each year thereafter equal to the maximum payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

Under current law, the 2014-15 per pupil payment equals $7,210 for a pupil in grades K-8 and $7,856 for a pupil in grades 9-12, with annual increases beginning in 2015-16 equal to the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the payment amounts would remain unchanged in 2015-16 and increase by an estimated $170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

As under current law, these payments would be made from a separate GPR sum sufficient appropriation.

Joint Finance: Delete the bill provision delaying the current law indexing mechanism that would increase the choice payment in each year beginning in 2015-16 by the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. As a

result, choice program per pupil payments would increase to an estimated $7,222 for a K-8 pupil and $7,868 for a 9-12 pupil in 2015-16 and $7,330 for a K-8 pupil and $7,976 for a 9-12 pupil in 2016-17 (an increase of $12 in 2015-16 and $108 in 2016-17 compared to the prior year).

Reestimate payments from the appropriation for the Racine and statewide choice programs based on the increased per pupil payment in 2015-16 and 2016-17. Payments would increase by an estimated $62,400 GPR in 2015-16 and $615,600 GPR in 2016-17 relative to the bill, while the aid reduction to the school districts of residence of incoming choice pupils would increase by approximately $30,000 in 2015-16 and $432,000 in 2016-17. The estimated net GPR effect is $32,400 in 2015-16 and $183,600 in 2016-17.

5. PRIVATE SCHOOL CHOICE PROGRAMS -- DELETE EDUCATIONAL COSTS LIMIT ON PAYMENT

Governor/Joint Finance: Delete provisions of current law that require that per pupil payments to private schools participating in the choice programs equal the lesser of: (a) the private school's operating and debt service cost per pupil that is related to educational programming, as determined by DPI; or (b) the maximum per pupil payment set in statute. Under the bill, per pupil payments to all private choice schools would equal the statutory amount. In 2012-13, 15 schools had a cost per pupil less than the maximum payment in that year of $6,442, out of 123 private schools participating in the Milwaukee and Racine private school choice programs in that year.

6. DELETE PARTICIPATION LIMITS ON STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM [LFB Paper 520]

Governor: Delete current law that limits participation in the statewide private school choice program to 1,000 pupils in each school year, and that limits participation in the statewide choice program in any school district to one percent of the district's total enrollment. Provide that a pupil who was awarded a slot in a participating private school in 2015-16 or was on a waitlist in that year could not be required to reapply for a slot by the private school or by DPI. Delete current law governing the allocation of pupil slots under the statewide limit of 1,000 pupils. No additional funding is provided for these modifications because the bill would make changes to the Racine and statewide private school choice program funding mechanism to use moneys drawn from general school aids to fund new pupils in the programs.

Under the bill, schools would no longer be required to report to DPI the names and total number of pupils who had applied to attend the school under the private school choice program or the names and total number of those applicants whose siblings had also applied to attend the school under the choice program. DPI would no longer be required to establish or maintain a waiting list for pupils who were not accepted into the choice program as a result of the enrollment limit.

Joint Finance: Delete provision and, instead, provide that the total number of pupils residing in a school district who could participate in the choice program in 2015-16 and 2016-17

would be limited to no more than 1% of the district's prior year membership, as defined under current law governing school finance. Specify that this participation limit would increase by one percentage point in each year beginning in 2017-18 until the limit reaches 10% of the district's prior year membership (2025-26). Beginning in 2026-27, no participation limit would apply.

Require each school to report the following to DPI following the close of the application period in each year: (a) the number of pupils who have applied to attend the school under the statewide choice program; and (b) the applicants who are siblings of pupils who have applied. If the number of applications from any district exceeds the participation limit for that district, require DPI to select pupils from that district by random draw, with preference given to pupils according to the pupil order of preference established in the bill, which would first apply in 2016-17 and is summarized in Item #8.

Require DPI to establish a waiting list in accordance with the preferences for each school district that received an application in excess of the participation limit. Require participating schools to notify DPI whenever a pupil will not attend, so that DPI could fill any available slot from the applicable waiting list.

7. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- INITIAL ELIGIBILITY REQUIREMENTS [LFB Paper 520]

Governor: Specify that a pupil would be eligible to begin participating in the statewide private school choice program in the 2015-16 school year or any year thereafter if the pupil was: (a) enrolled in a public school in his or her district of residence in the previous school year; (b) not enrolled in school in the previous school year; (c) was enrolled in a private school under the Racine or statewide private school choice programs in the previous school year; or (d) is enrolling in kindergarten, first grade, or ninth grade in the current year. Under current law, these requirements apply only to the Racine private school choice program.

Joint Finance: Specify that the prior year attendance criteria would first apply in the 2016-17 school year.

8. PRIVATE SCHOOL CHOICE PROGRAMS -- STUDENT PRIORITY

Governor/Joint Finance: Allow a private school participating in the Milwaukee, Racine, or statewide private school choice programs to give preference in accepting applications to the following, listed in order of preference, beginning in the 2016-17 school year: (a) pupils who attended the private school under the private school choice program during the previous school year; (b) siblings of pupils who attended the private school under the choice program during the previous school year; (c) pupils who attended a different private school under a private school choice program in the previous school year; (d) siblings of pupils who attended a private school under a private school choice program in the previous school year; and (e) siblings of pupils who have been randomly selected to attend a private school under the choice program but who did not attend a private school under a private school choice program in the previous school year.

Delete current law provisions defining pupils whose applications may be given priority.

Under current law, private schools participating in the Milwaukee or Racine programs may give priority to any of the following: (a) pupils who attended the private school in the previous year; (b) siblings of pupils who attended the private school in the previous year; or (c) pupils who attended another private school under a private school choice program in the previous year. Current law allows a private school in the statewide program to give priority to a pupil who was not enrolled in school in the previous year or who was enrolled in a public school in the previous year and is applying to attend a participating private school in grades two through eight or 10 through 12. However, private schools participating in the statewide program have not applied these priorities because pupils have been randomly selected by DPI to equal the limited statewide pupil count.

9. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- PER PUPIL PAYMENTS FOR NEW PARTICIPANTS IN 2015-16 AND THEREAFTER

[LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$47,800,000	$47,800,000
Aid Reduction	0	47,800,000	47,800,000
Net GPR	$0	$0	$0

Governor: Establish a procedure under which pupils in the Racine or statewide programs who begin participating in the programs in the 2015-16 school year or later would be funded from the general school aids appropriation [s. 20.255(2)(ac)]. Define an incoming choice pupil as a pupil who begins participating in these programs in 2015-16 or in any year thereafter. Specify that, for such an incoming choice pupil, DPI must pay to the private school in which the pupil is enrolled, on behalf of the pupil's parent or guardian, an amount from the general school aids appropriation determined as follows:

a. Calculate the equalization aid per pupil for each of the school districts in which an incoming choice pupil resides. (For the purposes of this calculation, a district's equalization aid payment would be the amount after the reduction for the independent "2r" charter school program, but before the reduction for the incoming choice pupils.)

b. Multiply each district's equalization aid per pupil by the number of incoming choice pupils residing in the district.

c. Add all of the amounts determined under "b."

d. Divide the statewide total amount under "c." by the statewide total number of incoming choice pupils.

Require DPI to calculate the per pupil payment amount for incoming choice pupils each year by October 15, using the most accurate data available. Specify that any adjustments to that calculation would be made by increasing or decreasing the payment to a choice school made in September of the following school year. Specify that if the private school is not participating in

the choice program in September of the following school year, DPI would make any adjustments to the calculation by making a separate payment to the school, or, if the adjustment is a decrease, require the school to refund to DPI any overpayment it received. Provide that, for an incoming choice pupil in 2015-16, DPI would base the September payment on the amount DPI estimated would be paid in 2015-16 using the best data available.

Provide that for pupils who began participating in the choice program in the 2015-16 school year or later, the summer school payment would be determined by multiplying the per pupil payment calculated based on equalization aid in the previous school year by 0.05. The summer school payment would be made out of the general school aids appropriation. Specify that payments for pupils who participated in the program prior to 2015-16 would be calculated by multiplying the per pupil payment applicable to those pupils by 0.05 and would be made out of the appropriation for the Racine and statewide choice programs.

Current law specifies that 25% of each per pupil payment is distributed to private choice schools in September, 25% in November, 25% in February, and 25% in May. Under the bill, for payments beginning in 2016-17, the September payment would be based on the per pupil payment in the previous school year. Any adjustment necessary to correct the amount paid to schools in September would be made by increasing or decreasing the amount paid in the following May.

Under current law, if a choice school closes after the third Friday in September in any school year, for each quarterly payment that was not paid to the private school in that school year, DPI pays the school district in which the pupil resides an amount equal to one-quarter of the amount determined by multiplying 0.616 times the per pupil payment. Specify that, for a pupil who began participating in the choice program in the 2015-16 school year or later, the per pupil payment used would be the amount determined based on equalization aid in the pupil's district of residence, the multiplier would be 0.667 rather than 0.616, and the payment would be made out of the appropriation for general school aids.

Require pupils or the parents or guardians of pupils participating in the Racine or statewide private school choice programs to notify DPI annually by the third Friday in September of the pupil's participation in the program using a form provided by DPI. Specify that the form would require the pupil or the pupil's parent or guardian to indicate the school year in which the pupil first participated in the choice program.

Require that private schools participating in the Racine or statewide choice programs annually provide to DPI the number of pupils attending the private school under the choice program who began participating in the program prior to the 2015-16 school year and the number who began participating in 2015-16 or later.

Joint Finance: Delete provision. Instead, specify that the amount that would be paid to private choice schools on behalf of each incoming choice pupil would be equal to the per pupil payment for continuing pupils in the Racine and statewide choice program in each year. Specify that payments would be made from the current GPR sum sufficient appropriation for these programs, and provide $18,400,000 GPR in 2015-16 and $29,400,000 GPR in 2016-17 in this appropriation for payments for incoming Racine and statewide program pupils.

Specify that each district's equalization aid would be reduced by an amount equal to the total amount paid by the state to Racine or statewide choice schools attributable to incoming choice pupils residing in that district in each year. If the district did not receive an equalization aid payment sufficient to cover the aid reduction, the balance would be reduced from other state aid received by the district. It is estimated that districts' state aid would be reduced by $18,400,000 in 2015-16 and $29,400,000 in 2016-17 related to payments for incoming pupils.

10. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- TREATMENT FOR EQUALIZATION AID [LFB Paper 520]

Governor: Specify that, for the purpose of calculating equalization aid beginning in the 2016-17 aid year, a school district's pupil membership would include the number of incoming choice pupils residing in the district who are attending a school participating in the Racine and statewide choice programs in the current school year and who did not participate in those programs before the 2015-16 school year, as reported to the Department by those schools. (A district's enrollment for revenue limit purposes would not include these choice pupils.)

Specify that the amount of general aid that a school district is eligible to be paid would be reduced by an amount equal to the district's general aid per pupil multiplied by the number of incoming choice pupils residing in the district, plus the total amount paid in the previous school year for incoming choice pupils who resided in the school district while attending summer school at a choice school during the summer of the previous year. Specify that districts would not be able to levy property taxes under revenue limits to offset this aid reduction.

Joint Finance: Modify provision to specify that pupils who begin participating in the Racine or statewide private school choice programs in the 2015-16 school year or thereafter could be counted by their school district of residence for both general aids and revenue limit purposes. Specify that pupils would be fully counted by their school district of residence under revenue limits in the first year of their participation in the programs, and would no longer be counted following their last year in the program. As under current law for public school pupils, membership data relating to Racine and statewide choice program pupils used in calculating general school aids would be from the prior year.

The amount of general aid that a school district is eligible to be paid in each year would be reduced by the amount paid to private choice schools attributable to incoming choice pupils residing in that district. Specify that districts could not levy to backfill the aid reduction.

11. PRIVATE SCHOOL CHOICE PROGRAMS -- ASSESSMENTS

Governor: Modify current law to require only private schools attended by at least 20 private school choice program pupils to administer assessments to pupils attending under a choice program. Specify that beginning in the 2015-16 school year, a private school participating in a private school choice program would not be required to administer assessments adopted or approved by the State Superintendent or required for public school pupils under federal law if the governing body of the private school elected to administer an alternative assessment approved by

the UW-Madison Value Added Research Center (VARC). Require a private school that chose to use an alternative assessment to notify DPI of its intent to administer an alternative assessment. If the private school maintains an Internet site, require that the school annually publish information on its Internet site about the statewide or alternative assessment that would be administered by the school.

If a private school administered an alternative assessment and the cost of that assessment exceeded the cost of the assessment adopted or approved by the State Superintendent for that grade, specify that the private school would be responsible for paying the difference between the cost of the alternative assessment and the assessment adopted or approved by the State Superintendent. Provide that the scores on the alternative assessment could be used as one criterion for promoting a pupil from 4th grade to 5th grade and from 8th grade to 9th grade.

Require private schools participating in a private school choice program to annually report to DPI the scores of choice pupils on all standardized tests adopted or approved by the State Superintendent or required for public school pupils under federal law for each of the previous five school years. Require a private school that administers an alternative assessment to submit the assessment results of its pupils to VARC to be reviewed and statistically equated to the scores of the pupil assessment adopted or approved by the State Superintendent. VARC would be required to provide the statistically equated assessment data to the governing body of the private school and to DPI for use in the school's accountability report.

Require that a private school participating in a choice program excuse private choice program pupils from participating in the assessment adopted or approved by the State Superintendent or an alternative assessment at the request of the pupil's parent or guardian. Provide that when determining the percentage of pupils attending a private school under the Milwaukee private school choice program who performed at designated proficiency levels on the statewide or alternate assessment, DPI would include only pupils who participated in the exam and would exclude pupils whose parent or guardian requested that they be excused from the test.

Joint Finance: Modify the Governor's recommendations to specify that the provisions related to alternative assessments would apply only if a federal waiver was granted that would allow public schools, independent "2r" charter schools, and private choice schools to administer an alternative assessment instead of the statewide assessment selected by the State Superintendent. Specify that these provisions would apply in the first full school year after VARC submits a list of approved examinations to DPI.

12. MILWAUKEE AND RACINE PRIVATE SCHOOL CHOICE PROGRAMS -- INCOME ELIGIBILITY VERIFICATION

Governor/Joint Finance: Provide that the family income of a pupil who applies to attend a private school under the Milwaukee or Racine private school choice programs would not need to be verified if the pupil attended a private school under the statewide private school choice program in the previous school year. Under current law, a pupil is eligible to participate in the statewide private school choice program with a family income that does not exceed 185% of the federal poverty level, while a pupil is eligible to participate in the Milwaukee or Racine private

school choice programs with a family income that does not exceed 300% of the federal poverty level. Family income for a pupil whose parents or guardians are married is reduced by $7,000 before the verification is made.

13. PRIVATE SCHOOL CHOICE PROGRAMS -- SUMMER SCHOOL MEMBERSHIP REPORT

Governor/Joint Finance: Modify summer school pupil count requirements to specify that private schools participating in a choice program would report their summer daily attendance for each day of summer school on or before October 1 of each year. Delete statutory membership definitions that would no longer apply.

Under current law, choice schools must report their summer average daily membership equivalent for choice pupils and for all pupils in the school by October 15 of each year.

14. PRIVATE SCHOOL CHOICE PROGRAMS -- INDEPENDENT FINANCIAL AUDITS

Governor: Require the independent financial audit submitted by each private choice school to be prepared in accordance with generally accepted accounting principles, as modified by DPI. Require that the audit would include a calculation of the private school's net eligible educational programming costs and a calculation of the balance of the private school's fund for future educational programming costs. Delete current law that specifies that the audit must be limited in scope to those records that are necessary for DPI to make payments to the school. These changes would first apply to audits of the 2015-16 school year.

Joint Finance: Modify the Governor's recommendation to require that, beginning in the second school year in which a private school participates in the program, the audit include a copy of a management letter prepared by the auditor. Require that the independent auditor review any concerns raised in the private school's management letter.

Provide that if an independent auditor engaged to evaluate the private school's fiscal and internal control practice determines that the governing body of the private school has not taken reasonable actions to remedy any concerns raised in the management letter, the private school must submit a report to DPI prepared by the independent auditor that includes the auditor's findings related to the governing body's actions to remedy any concerns raised in the management letter for the previous school year. The report would be submitted with the school's independent financial audit.

Specify that a negative reserve balance alone is not evidence that the private school does not have the financial ability to continue operating or that the private school does not follow sound fiscal and internal control practices.

Require that the independent financial audit be prepared in accordance with generally accepted accounting principles, with allowable modifications for long-term fixed assets acquired

before 2014. Require that the audit fairly presents the private school's eligible education expenses, and includes a calculation of the private school's net eligible education expenses and a calculation of the balance of the private school's fund for future eligible education expenses. Define eligible education expenses as all direct and indirect costs associated with a private school's educational programming for pupils enrolled in grades kindergarten through 12 that are reasonable for the private school to achieve its educational purposes, as determined by the governing body of the private school and reviewed by an independent auditor. Specify that these expenses could include expenses related to management, insurance, transportation, extracurricular programming and activities, facility and equipment costs, development expenses, and programming that provides child care services before school, after school, or both before and after school.

Specify that if a private school participating in a choice program is part of an organization, and the private school and the organization share assets, liabilities, or eligible education expenses, the private school may submit an audit of the private school or of the organization of which it is a part. If a private school is part of an organization with which it shares assets, liabilities, or educational expenses and submits an audit of only the private school, specify that the independent auditor must use his or her professional judgment to allocate any shared assets, liabilities, and eligible education expenses between the organization and the private school.

Specify that each private school participating in a choice program would be required to submit the independent financial audit by October 15 following a school year in which the school participated in the program. Require DPI to certify the financial audit within 90 days after receiving the audit. Specify that during the 90 day period between receipt and certification, DPI's contact with the auditor would be required to be limited to a single written communication that may include only matters that individually impact the private school's financial statement by an amount that is greater than 1% of the total amount the private school received in choice program payments in the previous school year. Require that an auditor who receives a written communication from DPI respond within 15 days of receiving the communication.

Specify that if a private school participating in a choice program has a cash or investment reserve balance that is greater than 50% of the total amount the private school received in choice program payments in the previous school year, the governing body of the private school would be required to approve a plan for how it would use the amount of cash or investment reserve that exceeds 50% of the total amount the private school received in choice program payments in the previous school year.

Delete the provisions that would: (a) require a financial audit to be prepared in accordance with generally accepted accounting principles as modified by DPI; and (b) specify that the audit must include a calculation of the private school's net eligible educational programming costs and a calculation of the balance of the private school's fund for future educational programming costs. Retain the provisions that would: (a) delete current law specifies that the audit must be limited in scope to those records that are necessary for DPI to make payments to the school; and (b) provide that these changes would first apply to audits of the 2015-16 school year.

15. PRIVATE SCHOOL CHOICE PROGRAMS -- SCHOOL NOTICE OF PARTICIPATION DATE

Governor/Joint Finance: Modify the date to be January 10 of the previous school year, rather than February 1, by which a private school must: (a) notify the State Superintendent of its intent to participate in a private school choice program; (b) specify the number of pupils for which it has space; and (c) pay the auditor's fee.

16. PRIVATE SCHOOL CHOICE PROGRAMS -- TEACHER AND ADMINISTRATOR REQUIREMENTS

Governor: Modify requirements for teachers and administrators in private schools participating in a private school choice program to allow teachers to qualify with a teaching license issued by DPI, as an alternative to the currently required bachelor's, master's, or doctorate degree from an accredited institution of higher education. Allow administrators to qualify with a teaching or administrator's license issued by DPI, as an alternative to the currently required bachelor's degree from an accredited institution of higher education.

Joint Finance: Modify provision to also specify that the bachelor's degree or higher educational credential required for all teachers or administrators in a private choice program school must be from a nationally or regionally accredited institution of higher education rather than an accredited institution of higher education as under current law.

17. PRIVATE SCHOOL CHOICE PROGRAMS -- GRADE INFORMATION PROVIDED TO DPI

Governor/Joint Finance: Delete current law requiring private choice schools to annually, by August 1, provide DPI with the number of pupils in each of the previous five years who attended the private school as part of a private school choice program, or as private school pupils, who were in fourth, eighth, and 12^{th} grades, and the number of those pupils who advanced from fourth to fifth grade, advanced from eighth to ninth grade, and graduated from 12^{th} grade.

18. PRIVATE SCHOOL CHOICE PROGRAMS -- ELIMINATE PUPIL ASSIGNMENT COUNCIL

Governor/Joint Finance: Delete provisions establishing a pupil assignment council consisting of one representative from each private school participating in the Milwaukee private school choice program and a second pupil assignment council consisting of one representative from each private school participating in the Racine and statewide private school choice programs. Under current law, these councils are required to submit recommendations by June 1 of each year to each private choice school on the achievement of a balanced representation of pupils participating in the private school choice programs.

19. MILWAUKEE CHOICE PROGRAM RESEARCH

Joint Finance: Require the Department of Workforce Development, the Department of Children and Families, and the Department of Health Services Office of Vital Records to allow qualified independent researchers to cross-match databases already in their possession containing information regarding pupils participating in the Milwaukee private school choice program with other databases maintained by the agencies for purposes of evaluating the effects of the Milwaukee choice program.

Define a qualified independent researcher as a faculty member of a university who meets the following criteria: (a) has an approved protocol from an institutional review board for human subjects research to work with data containing personal information for the purposes of evaluating the Milwaukee choice program; and (b) has already received and properly managed data with personal information from the state for the same purposes.

Specify that the agencies could not charge a fee to the researchers greater than the cost incurred by the agencies for providing the data.

20. TEACHERS' AIDES IN PRIVATE CHOICE SCHOOLS

Joint Finance: Specify that a private school participating in a private school choice program could employ a teacher's aide who has been granted a high school diploma by the administrator of a home-based private educational program.

Current law specifies that a teacher's aide in a private choice school must have graduated from high school, been granted a declaration of equivalency of high school graduation, been issued a general educational development certificate of high school equivalency, or obtained a higher degree or educational credential.

21. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- SCHOOL ELIGIBILITY

Joint Finance: Specify that a private school participating in the statewide private school choice program would be required to have been in continual operation as a private school since May 1, 2013.

22. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- OCCUPANCY PERMIT REQUIREMENT

Joint Finance: Delete current law requiring a private school participating in the statewide private school choice program to submit to DPI a current certificate of occupancy issued by the municipality within which the school is located.

23. PRIVATE SCHOOL CHOICE PROGRAMS -- DOCUMENT RETENTION POLICY

Joint Finance: Specify that private schools participating in the Milwaukee, Racine, or statewide choice programs would be required to maintain documentation related to pupil applications for a period of at least five years. Provide that schools could maintain pupil applications, correspondence with applicants, and other documentation related to pupil applications electronically or in paper format.

Under current law, private choice schools are required to maintain all progress records for each pupil attending the school under a choice program for at least five years after the pupil ceases to attend the school.

24. INDEPENDENT "2R" CHARTER SCHOOL REESTIMATE

GPR	$8,882,500
Aid Reduction	8,882,500
Net GPR	$0

Governor/Joint Finance: Provide $2,422,500 in 2015-16 and $6,460,000 in 2016-17 over base level funding of $70,252,500 in 2014-15 as a reestimate of sum sufficient funding for participation in the current law independent "2r" charter school program. The reestimate assumes that 9,000 pupils in 2015-16 and 9,500 pupils in 2016-17 will participate in the current program at the per pupil payment of $8,075 in 2015-16 and 2016-17 under the bill.

Under current law, the City of Milwaukee, UW-Milwaukee, and UW-Parkside operate or contract to operate independent charter schools. UW-Milwaukee can establish schools in Milwaukee County or in an adjacent county. Schools chartered by the City must be located in the City. UW-Parkside can establish one school, which is located in the Racine Unified School District. Pupils residing in Milwaukee County or in an adjacent county may attend any of these schools. Under current law, payments to these schools are fully offset by a proportionate reduction in the general school aid eligibility of all school districts in the state. Under revenue limits, districts may levy property taxes to offset this aid reduction.

25. INDEPENDENT "2R" CHARTER SCHOOL PER PUPIL PAYMENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$1,248,000	$1,248,000
Aid Reduction	0	1,248,000	1,248,000
Net GPR	$0	$0	$0

Governor: Specify that the per pupil payment for independent "2r" charter schools in the 2015-16 and 2016-17 school years would equal the payment amount for 2014-15, and that the current law indexing mechanism would apply beginning in 2017-18.

In 2014-15, the payment for independent charter schools is $8,075 per pupil. Under current law, beginning in 2015-16, the payment amount is equal to the amount in the prior year

plus the revenue limit per pupil adjustment, if positive, for school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the payment amount would remain unchanged in 2015-16 and increase by an estimated $170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

Joint Finance: Delete provision. Under Joint Finance, the current law indexing mechanism would result in an estimated "2r" charter per pupil payment of $8,087 in 2015-16 and $8,195 in 2016-17 (an increase of $12 in 2015-16 and $108 in 2016-17 compared to the prior year). As a result, the sum sufficient appropriation for the "2r" program would increase by $108,000 in 2015-16 and $1,140,000 in 2016-17. The "2r" aid reduction would increase by an equal amount, resulting in no net general fund effect.

26. CHARTER SCHOOL OVERSIGHT BOARD [LFB Paper 521]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,037,500	- $4,037,500	$0
Aid Reduction	4,037,500	- 4,037,500	0
Net GPR	$0	$0	$0

Governor: Create a Charter School Oversight Board that would have the authority to approve independent "2r" charter school authorizers that could establish such schools statewide. The administration estimates that an additional 500 pupils would be enrolled in charter schools authorized through the Charter School Oversight Board in 2016-17. In that year, total payments for these pupils would equal $4,037,500 at the proposed payment of $8,075 per pupil under the bill.

Provide that the Board would be attached to DPI for administrative purposes. Specify that the Board would consist of the State Superintendent, or his or her designee, and 10 other members that would be appointed for staggered, three-year terms and would consist of the following: (a) two members appointed by the Governor, at least one of whom has served on the governing board of an independent charter school, has been employed by an independent charter school, or has served on the governing body of an entity authorized to contract to establish an independent charter school; (b) two members who are not legislators appointed by the Senate Majority Leader; (c) one member who is not a legislator appointed by the Senate Minority Leader; (d) two members who are not legislators appointed by the Speaker of the Assembly; (e) one member who is not a legislator appointed by the Assembly Minority Leader; (f) two members appointed by the State Superintendent who have served on the governing board of an independent charter school, have been employed by an independent charter school, or have served on the governing body of an entity authorized to contract to establish an independent charter school. Specify differing terms for initial appointments to the Board.

Provide that the chairperson of the Board would be designated by the Governor. Require that the authorities responsible for appointing the members of the Board ensure, to the extent

feasible, that members are geographically diverse and have experience and expertise in governing public and nonprofit organizations; in management and finance; in public school leadership, assessment, and curriculum and instruction; and in education law; and understand and are committed to the use of charter schools to strengthen public education. Provide that no member of the Board could serve more than two consecutive terms. Prohibit the Board from promulgating rules and specify that, for the purposes of administrative rule-making, a standard or statement of policy adopted by the Charter School Oversight Board would not be considered an administrative rule.

Provide that any nonprofit, nonsectarian organization or consortium of such organizations approved by the Charter School Oversight Board could become an independent charter school authorizer. Require that such an organization, or consortium of such organizations, in order to become a charter authorizer, submit an application to the Charter School Oversight Board that includes the following information: (a) a strategic plan for contracting with charter school governing boards that submit high-quality proposals for charter schools that meet identified educational needs and promote a diversity of educational choices; (b) a performance framework for use in supervising and evaluating charter schools that addresses pupil academic proficiency, growth in pupil academic achievement, gaps in achievement between groups of pupils, pupil attendance, the readiness of pupils for postsecondary education, the financial proficiency and sustainability of charter schools, and charter school management; (c) an assurance that the organization or consortium will ensure accountability and transparency on the part of those charter school governing boards with which it contracts; (d) a plan, including corrective action strategies, designed to improve a charter school under contract with the organization or consortium, or to close such a charter school, based on contractual performance standards; (e) a description of the types of charter schools the organization or consortium is seeking to establish, and their potential attendance areas; (f) information on the organization's or consortium's finances and other resources necessary for the Charter School Oversight Board to determine the applicant's ability to perform its functions as an authorizer; (g) a plan for entering into additional contracts in order to replicate successful charter schools; and (h) any other information requested by the Charter School Oversight Board. Require the Charter School Oversight Board to approve or deny an application within 90 days of receiving it.

Provide that an organization or consortium approved by the Charter School Oversight Board to contract to establish an independent charter school would have to annually submit a report to the Charter School Oversight Board that includes the following information: (a) an identification of each charter school operating under contract with the authorizer, each charter school that operated under contract with the authorizer but had its contract nonrenewed or revoked or that closed, and each charter school under contract with the authorizer that has not yet begun to operate; (b) the academic and financial performance of each charter school operated under contract with it; (c) the operating costs that the authorizing entity incurred under the statutory requirements for authorizers, detailed in an audited financial statement prepared in accordance with generally accepted accounting principles; and (d) the services that the authorizing entity has provided to the charter schools under contract with it and an itemized accounting of the costs of the services.

Provide that a school board could prohibit a pupil who resides in the school district from

attending an independent charter school, unless the district membership is at least 4,000 pupils and at least two public schools in the district were assigned one of the bottom two grade levels in the most recent school accountability report published by DPI. Provide that a pupil who wishes to attend an independent charter school, and who resides in a school district in which the school board could prohibit pupils from attending an independent charter school, would have to submit an application to the school board. Within 30 days of receiving such an application, require the school board to issue a decision allowing or prohibiting the pupil from attending the charter school. This provision would first apply on the effective date of the bill.

Delete current law provisions that restrict the location of independent charter schools based on the authorizer, and that require approval of the Board of Regents for charter schools to be established by UW-Milwaukee and UW-Parkside. Delete the current law restriction that the Chancellor of UW-Parkside may establish only one charter school, and that the school may enroll a maximum of 480 pupils. Provide that any independent charter school authorizer may contract for the operation of a charter school located anywhere in the state. Delete the current law residency restrictions that generally require a pupil to reside in Milwaukee County or an adjacent county in order to attend an independent charter school.

Specify that independent charter schools would be local educational agencies (LEA) for the purposes of the federal Elementary and Secondary Education Act (ESEA, also known as No Child Left Behind) and, as such, they would be eligible for funding as LEAs and must comply with all requirements of LEAs under the ESEA.

Provide that a contract with a school board or an independent charter school authorizing entity may provide for the establishment of more than one charter school, and a charter school governing board may enter into more than one contract with a school board or independent charter school authorizing entity.

Specify that, for the purposes of the open enrollment program, the definition of a charter school excludes independent charter schools.

Under current law, the City of Milwaukee, UW-Milwaukee, and UW-Parkside operate or contract to operate independent charter schools. UW-Milwaukee can establish schools in Milwaukee County or in an adjacent county. Schools chartered by the City must be located in the City. UW-Parkside can establish one school, which is located in the Racine Unified School District. An estimated 8,500 pupils attend these schools in 2014-15, and the aid per pupil for that year is $8,075. Under current law, payments to these charter schools are fully offset by a proportionate reduction in the general school aid eligibility of all school districts in the state. Under revenue limits, districts may levy property taxes to offset this aid reduction.

Joint Finance: Delete provisions specific to the Board. The following modifications to charter law not specific to the Board would remain: (a) delete provisions that restrict the location of independent charter schools based on the authorizer, so that schools could be located anywhere in the state; (b) delete provisions that require approval of the Board of Regents for charter schools established by UW-Milwaukee and UW-Parkside; (c) delete the restriction that the Chancellor of UW-Parkside may establish only one charter school and that the school may enroll a maximum of 480 pupils; (d) delete the residency restrictions for pupils attending an

independent charter school, so that pupils residing anywhere in the state could attend these schools; (e) specify that independent charter schools would be LEAs for the purpose of the federal law; (f) specify that a contract with a school board or an authorizing entity of independent charter schools may provide for the establishment of more than one charter school, and that a charter school governing board may enter into more than one contract with a school board or an authorizing entity of independent charter schools; and (g) specify that, for the purposes of the open enrollment program, the definition of a charter school excludes independent charter schools.

27. ADDITIONAL CHARTER SCHOOL AUTHORIZERS

Joint Finance: Allow five new entities to authorize independent charter schools: (a) the Office of Educational Opportunity in the UW System; (b) the Gateway Technical College District Board; (c) the College of Menominee Nation; (d) the Lac Courte Oreilles Ojibwa Community College; and (e) the County Executive of Waukesha County.

Specify that the Director of the Office of Educational Opportunity (OEO) in the UW System would be able to contract for the establishment of charter schools located only in school districts with membership over 25,000 pupils (currently Milwaukee and Madison). [For further information on provisions related to the governance and operations of the Office, see "University of Wisconsin System."]

Provide that the Gateway Technical College District Board could authorize charter schools located only in the district. Provide that pupils who reside within the boundaries of the district or in a county adjacent to the district could attend these charter schools. Specify that the Board could authorize charter schools only if the school operates high school grades only and provides a curriculum focused on science, technology, engineering, and mathematics, or occupational education and training. Provide that the technical college would be allowed to employ instructional staff for the charter school.

Specify that the two tribal colleges could authorize up to a total of six charter schools between them, with no geographic limitation on the location of the schools.

Provide that the County Executive of Waukesha County could authorize charter schools located in Waukesha County.

Specify that the per pupil payment for these charter schools, other than the tribal college charters, would be equal to the per pupil payment for "2r" charter schools. Specify that the per pupil payment for a tribal college charter school would be an amount equal to the per pupil academic base funding provided to tribal schools by the federal Bureau of Indian Education in the previous school year.

Provide that the payments for these charter schools, other than the schools chartered by the OEO, would be paid from the current law appropriation for per pupil payments for "2r" charters. Create a sum sufficient appropriation for per pupil payments to charter schools authorized by the OEO. Specify that these payments be made on the same quarterly payment schedule as the payments for "2r" charter schools.

Specify that a pupil attending a charter school authorized by any of the five new authorizers would be counted by their district of residence for revenue limits and general school aids. Require DPI to reduce a school district's general aid payment (and categorical aid, if necessary) in an amount equal to the total of the per pupil payments made for pupils residing in the district. Specify that a district would not be able to levy to backfill that aid reduction.

Specify that the statutory authority for the new authorizers, other than the OEO, would be granted under the statutory subsection governing the current law "2r" program [s. 118.40(2r)]. Create a separate subsection governing schools chartered by the OEO [s. 118.40(2x)]. Provide that the current law and bill provisions that govern "2r" charter schools would also govern charter schools authorized by the Office, with the exception of the contract requirement allowing for replication based on the performance of a school on school accountability reports.

28. CHARTER SCHOOL AUTHORIZING ENTITY DUTIES

Governor/Joint Finance: Require that a school board that has authorized a charter school, or an entity authorized to contract to establish independent "2r" charter schools, do all of the following: (a) solicit and evaluate charter school applications; (b) approve only high-quality charter school applications that meet identified educational needs and promote a diversity of educational choices; (c) in accordance with the terms of each charter school contract, monitor the performance and compliance with state charter school law of each charter school with which it contracts; and (d) annually submit a report to the State Superintendent and Legislature. Require that the annual report to the State Superintendent and Legislature would include the following information for each authorizer: (i) an identification of each charter school operating under contract with the authorizer, each charter school that operated under contract with the authorizer but had its contract nonrenewed or revoked or that closed, and each charter school under contract with the authorizer that has not yet begun to operate; (ii) the academic and financial performance of each charter school operated under contract with it; (iii) the operating costs of the school board or independent charter school authorizing entity incurred under its required duties, detailed in an audited financial statement prepared in accordance with generally accepted accounting principles; and (iv) the services that the school board or independent charter school authorizing entity has provided to the charter schools under contract with it and an itemized accounting of the costs of the services. For a contract for the establishment of a charter school that is entered into, renewed, or modified upon the effective date of the bill, require that an authorizing entity adhere to the principles and standards for quality charter schools established by the National Association of Charter School Authorizers.

Under current law, school boards and independent charter school authorizers are required to do the following: (a) when contracting for the establishment of a charter school, consider the principles and standards for quality charter schools established by the National Association of Charter School Authorizers; and (b) give preference in awarding contracts for the operation of charter schools to those charter schools that serve children at risk. The current law preference for charter schools that serve children at risk would continue to apply to these authorizing entities.

29. CONTRACT REQUIREMENTS FOR INDEPENDENT "2R" CHARTER SCHOOLS [LFB Paper 522]

Governor: Require that, in addition to the contract requirements applicable for all charter schools, the contracts between the governing boards of independent "2r" charter schools and their authorizers include the following: (a) a requirement that a charter school governing board adhere to specified annual academic and operational performance standards developed in accordance with the performance framework of the entity with which it is contracting; (b) provisions detailing the corrective measures the charter school governing board will take if the charter school fails to meet performance standards; (c) a provision allowing the governing board of a charter school that is assigned one of the top two grade levels in the most recent school accountability report published by DPI to open one or more additional charter schools and, if the charter school governing board opens one or more additional charter schools, the existing contract applies to the new school or schools unless the parties agree to amend the existing contract or enter into a new contract; (d) the methodology that will be used by the charter school governing board to monitor and verify pupil enrollment, credit accrual, and course completion; (e) a requirement that the authorizing entity have direct access to pupil data; (f) a description of the administrative relationship between the parties to the contract; (g) a requirement that the charter school governing board hold parent-teacher conferences at least annually; (h) a requirement that if more than one charter school is operated under the contract, the charter school governing board report to the authorizing entity on each charter school separately; (i) a requirement that the charter school governing board provide the data needed by the authorizing entity for purposes of making a required annual report to the State Superintendent and Legislature; (j) a requirement that the charter school governing board participate in any training provided by the authorizing entity; and (k) a description of all fees the authorizing entity will charge the charter school governing board. Specify that these requirements would first apply to a contract for the establishment of a charter school that is entered into, renewed, or modified on the effective date of the bill.

Provide that, if an independent charter school is in operation on the effective date of the bill, and the charter school is assigned one of the top two grade levels in the most recent school accountability report published by DPI, then the person operating the charter school may open one or more additional charter schools, regardless of the terms of the existing contract with its authorizing entity. Specify that all other provisions of the contract, other than any provision that conflicts with this provision, apply to the new school or schools, unless the parties agree to amend the existing contract or enter into a new contract.

Provide that independent charter school authorizers would be required to contract with a person to operate a charter school, rather than operating the school directly, unless an authorizing entity was operating the school directly immediately prior to the effective date of the bill, in which case, it would be permitted to continue to do so.

Delete current law provisions relating specifically to a charter school authorized by the University of Wisconsin-Parkside. Current law requires that, if the Chancellor of the University of Wisconsin-Parkside contracts for the establishment of a charter school, the contract must also provide that the charter school must be operated by a governing board and that the Chancellor or

his or her designee must be a member of the governing board and requires that, if the instructional staff of the charter school are employees of the UW System Board of Regents, that the contract must include certain other provisions related to collective bargaining agreements and other matters related to employment administration.

Joint Finance: Modify provision to specify that a governing board could open additional schools if all of the schools operated by the board have received one of the top two ratings on the most recent school accountability reports. Also, delete the provision under which, if an independent charter school is in operation on the effective date of the bill, and the charter school is assigned one of the top two grade levels in the most recent school accountability report published by DPI, then the person operating the charter school may open one or more additional charter schools, regardless of the terms of the existing contract with its authorizing entity. This provision would apply to contracts entered into after the effective date of the bill.

30. CHARTER SCHOOL GOVERNING BOARDS

Governor/Joint Finance: Effective September 1, 2015, require each charter school (both independent "2r" and school district charter schools) to be governed by a governing board that is a party to the contract with the authorizing entity. Require that no more than a minority of the governing board's members could be employees of the charter school or employees or officers of the school district in which the charter school is located.

Subject to the terms of its contract, provide that a charter school governing board has all the powers necessary to carry out the terms of its contract, including the following: (a) to receive and disburse funds for school purposes; (b) to secure appropriate insurance; (c) to enter into contracts, including contracts with a University of Wisconsin institution or college campus, technical college district board, or private college or university, for technical or financial assistance, academic support, curriculum review, or other services; (d) to incur debt in reasonable anticipation of the receipt of funds; (e) to pledge, assign, or encumber its assets to be used as collateral for loans or extensions of credit; (f) to solicit and accept gifts or grants for school purposes; (g) to acquire real property for its use; and (h) to sue and be sued in its own name. Provide that these powers would first apply to a contract for the establishment of a charter school that is entered into, renewed, or modified on the effective date of the bill.

31. CHARTER SCHOOL ADMISSIONS

Governor/Joint Finance: Require that, with the following specified exceptions, a contract with a school board or independent "2r" charter school authorizing entity specify that if the capacity of the charter school is insufficient to accept all pupils who apply, the charter school would have to accept pupils at random. Require that a charter school give preference in enrollment to pupils who were enrolled in the charter school in the previous school year, and to siblings of pupils who are enrolled in the charter school. Permit a charter school to give preference in enrollment to the children of the charter school's founders, governing board members, and full-time employees, but limit the total number of such children given preference to no more than 10% of the charter school's total enrollment. Provide that these changes would

first apply to a contract entered into, renewed, or modified on the effective date of the bill.

In addition, as under current law, provide that if a charter school replaces a public school in whole or in part, the school must give preference in admission to any pupil who resides within the attendance area or former attendance area of that public school.

32. OPEN ENROLLMENT TRANSFER AMOUNT

Governor: Specify that the open enrollment transfer amount in the 2015-16 and 2016-17 school years would equal the transfer amount for 2014-15, and that the current law indexing mechanism would apply beginning in 2017-18.

Under the open enrollment program, a pupil may attend a public school outside his or her school district of residence. The resident district counts the pupil in its pupil membership for revenue limits and general aids. A specified amount of state aid is then transferred from the resident district to the nonresident district for each open enrollment pupil. In 2014-15, the transfer amount is $6,635 per pupil. Under current law, beginning in 2015-16, the transfer amount is equal to the amount in the prior year plus the revenue limit per pupil adjustment, if positive, for school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the transfer amount would remain unchanged in 2015-16 and increase by an estimated $170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

Joint Finance: Delete provision. Under Joint Finance, the current law indexing mechanism would result in an estimated open enrollment transfer amount of $6,647 in 2015-16 and $6,755 in 2016-17 (an increase of $12 in 2015-16 and $108 in 2016-17 compared to the prior year).

33. TREATMENT OF TELECOMMUNICATIONS ACCESS APPROPRIATION FOR PAYMENT INDEXING

Governor: Specify that, for the purposes of indexing the per pupil payment amounts for the Milwaukee private school program and for pupils who attended the Racine or statewide programs in 2014-15, the independent "2r" charter school program, and the open enrollment programs, the amount that would be included in the categorical aid total from the DOA appropriation for telecommunications access for educational agencies would include only the amounts allocated for payments to telecommunication providers under contracts with school districts and cooperative educational service agencies and for grants to school district consortia, as determined by the DOA Secretary.

Under current law, beginning in 2015-16 and in each year thereafter, the per pupil payment amounts under the three programs equals the sum of the payment amount in the previous year plus the per pupil revenue limit adjustment for the current year, if positive, plus the change in the amount of statewide categorical aid per pupil between the previous year and the

current year, if positive. Under the bill, the amounts for the three programs would be held constant at the 2014-15 amount for each year of the 2015-17 biennium, and the current law adjustment mechanism would apply starting in the 2017-18 school year.

Under current law, the DOA appropriation for telecommunications access for school districts is included in the categorical aid total for the indexing calculation. Under the bill, the purposes of that appropriation would be broadened to include payments to other educational agencies, which are currently paid out of separate appropriations that would be deleted and consolidated into one appropriation.

Joint Finance: Delete provision.

34. OPEN ENROLLMENT PROGRAM CHANGES FOR PUPILS WITH DISABILITIES

Joint Finance: Make the following changes to the open enrollment program as it relates to children with disabilities:

a. Delete the ability of a resident school district to deny an open enrollment application on the basis of undue financial burden.

b. Delete the requirement that a nonresident district provide to the resident district an estimate of the costs to provide the special education services required in the individualized education program (IEP) for a child with disabilities who applies under the program.

c. Set a per pupil aid transfer amount of $12,000 in 2016-17 to be transferred from the resident district to the nonresident district for each special education pupil who open enrolls. Specify that this amount be indexed annually in a manner similar to the transfer amount for a regular education pupil, which is based on the revenue limit per pupil adjustment and the change in categorical aid funding per pupil in a given year.

d. Delete the statutory requirement that the resident school board pay tuition to the nonresident school board for a special education pupil attending under open enrollment.

Specify that these provisions would first apply to applications to attend a public school in a nonresident school district under the open enrollment program in the 2016-17 school year.

Under the open enrollment program, a pupil may attend a public school outside his or her school district of residence, provided the pupil's parent complies with certain application dates and procedures and the applicable acceptance criteria are met. Statutes specify the conditions under which the resident and nonresident district can reject an open enrollment application. A resident district can generally prohibit a resident pupil from attending school in another district if the pupil is a child with disabilities and the costs of the special education services required in the child's IEP that would be provided by the nonresident district would impose an undue financial burden on the resident district, which must pay tuition for the child. Under federal law, the determination of undue financial burden must be based only on tuition charges that reflect the actual, additional special education costs the nonresident district would incur in educating that

child.

The resident district counts a regular education pupil transferring to another district under open enrollment in its pupil membership for revenue limits and general aids. A specified amount of state aid ($6,635 in 2014-15) is then transferred from the resident district to the nonresident district for each open enrollment pupil. For a special education pupil, however, the resident district is required to pay tuition to the nonresident district. Federal special education law limits the payment to the sum of the open enrollment transfer amount and any actual, additional special education costs the nonresident district would incur to educate the student. Deleting the statutory requirement for tuition payment would mean that state special education categorical aid for the pupil would be retained by the nonresident school district.

35. COURSE OPTIONS PROGRAM

Joint Finance: Specify that an institution of higher education, including the University of Wisconsin System, a technical college, a nonprofit institution of higher education, or a tribal college may charge additional tuition and fees to a pupil, or the parent or guardian of a minor pupil, if that pupil will receive postsecondary credit for the successful completion of a course taken through the course options program. Provide that the school board and the institution of higher education would determine the amount of tuition and fees that would be charged to a pupil for attending the course.

The course options program allows pupils in any grade to enroll in up to two courses at a time at another educational institution, including a public school in a nonresident school district, the University of Wisconsin System, a technical college, a nonprofit institution of higher education, a tribal college, a charter school, and any nonprofit organization that has been approved by DPI. Under current law, the school district is responsible for the cost of providing the course to the pupil, and a pupil cannot be charged any tuition or fees for an approved course.

36. SPECIAL NEEDS VOUCHER PROGRAM

Joint Finance: Create a special needs voucher program, beginning in 2016-17, to allow a child with a disability to attend a participating private school of the child or the child's parent's choice, if that child has previously been rejected from attending a school in a nonresident school district under the open enrollment program. Require each school board to annually notify the parents of each child with a disability enrolled in the school district about the program.

To be eligible for the program, require that a child have an individualized education plan (IEP) or services plan in place, and that the child attended a public school in Wisconsin for the entire school year immediately preceding the school year for which the child first participates. Additionally, an eligible child would be required to have applied to attend a public school in one or more nonresident school districts under the open enrollment program in the same school year in which the pupil would begin participating in the voucher program and was rejected by the school boards of each district or prohibited from attending public school in the nonresident districts. If the child's parent appealed any school board decision, require that DPI affirmed the

school board's decision. Specify that, if an otherwise eligible pupil applied to participate in the special needs voucher program in the 2016-17 school year, the pupil would be eligible for the program if he or she had applied to attend a public school in one or more nonresident school districts in at least one of the previous five school years and was rejected by the school boards of each district or prohibited from attending public school in the nonresident districts, and the pupil will attend a public school in Wisconsin for the entire 2015-16 school year. Specify that a special needs voucher program pupil attending a private school participating in a private school choice program could not be counted as a pupil attending the school under the choice program.

Under the new program, define an eligible school as a private school located in this state. A child with a disability could attend an eligible school, if the school has notified DPI of its intent to participate in the program, and the notice specifies the number of pupils who may participate in the program for whom the school has space. Additionally, require that the school be approved by the State Superintendent as a private school under state requirements, or the private school is accredited by the Wisconsin North Central Association, Wisconsin Religious and Independent Schools Accreditation, the Independent Schools Association of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation, National Lutheran School Accreditation, the diocese or archdiocese within which the private school is located, or any other organization recognized by the National Council for Private School Accreditation, as of the August 1 preceding the school term in which pupils first attend the school under the program.

Require the child or the child's parent to submit an application to the eligible school, on a form prepared by DPI. Allow an application to be made, and a child to begin attending an eligible school, at any time during the school year. Require the application to include a copy of a document, to be prepared by DPI, about the child's rights, as described below. If an eligible school receives more applications than the number of pupils for whom the school has space, require the school to select pupils on a random basis, except that it may give preference to siblings of pupils who are already attending the school.

Require DPI to develop a document and revise it as necessary, for inclusion with an application to an eligible school, comparing the rights of a child with a disability and of his or her parent under state law and the Individuals with Disabilities Education Act (IDEA, the federal special education law), with the rights of a child with a disability and of his or her parent under the program and IDEA. Provide that receipt of this document by an applicant, acknowledged in a format prescribed by DPI, would constitute notice that the applicant has been informed of his or her rights under state law and under IDEA. Subsequent participation in the program would constitute the applicant's informed consent to the rights specified in the document.

Require the private school to provide each applicant under the program with a profile of the school's special education program, in a form prescribed by DPI, that includes the methods of instruction that will be used by the school to provide special education and related services to the child and the qualifications of the teachers and other persons who will be providing special education and related services to the child.

Require the governing body of an eligible school to notify DPI when the school accepts a pupil under the program. Upon being notified, require that DPI notify the school board of the

pupil's district of residence that the pupil will participate in the program. Require the school board, within three days of receiving notice, provide DPI and the governing body of the eligible school that accepted the pupil with a copy of the pupil's IEP.

Require DPI, on behalf of the child's parent, to pay an amount equal to $12,000 in 2016-17 on behalf of each child participating in the program to the private school that the pupil attends, from a new appropriation for payments for special needs voucher program pupils. Beginning in 2017-18, specify that the payment would be equal to the payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Pupils participating in the program could be counted by their school district of residence for general aids and revenue limit purposes. The equalization aid paid to a pupil's district of residence would be reduced by an amount equal to the total amount paid to eligible schools on behalf of special education pupils attending from that district. Prohibit the district from back filling this aid reduction with levy. If the district did not receive an equalization aid payment sufficient to cover the aid reduction, the balance would be reduced from other state aid received by the district.

Specify that DPI would pay the school in four payments, with 25% of the total provided in September, 25% in November, 25% in February, and 25% in May. Each installment could consist of a single check for all pupils at that school. The pupil could participate in the program for as long as the pupil attends an eligible school, until the pupil graduates from high school, or until the end of the school term in which the pupil attains the age of 21, whichever comes first. Specify that DPI could not make payments to a private school unless the pupil's parent has acknowledged receiving a profile of the private school's special education program as described below.

Require that the private school implement the child's most recent IEP or services plan, as modified by agreement between the school and the child's parent, and related services agreed to by the private school and the child's parent that are not included in the IEP or services plan. Require the private school to provide a record of the implementation of the child's IEP or services plan, including an evaluation of the child's progress, to the school board of the school district in which the child resides, in a form and manner prescribed by DPI. Require that the school regularly report to the child's parent on the child's progress.

Require the district of residence to ensure that the child's IEP team reevaluates the child at least every three years, unless the parent and school district agree otherwise. Provide that if an IEP team unanimously determines that the child is no longer a child with a disability, the child would become ineligible to participate in the program beginning the school term following the determination. If the child continued to attend a private school that he or she had attended under the program, provide that DPI would pay to the private school an amount equal to the private school choice program per pupil payment applicable to the choice program in the child's school district of residence in the same year.

Upon the request of a parent of a child participating in the program, require the pupil's resident school district to administer the appropriate state standardized pupil assessment to the pupil, at no cost, if the school attended by the pupil does not administer them.

Require each private school participating in the program or receiving a payment to: (a) comply with all health and safety laws or codes that apply to private schools; (b) hold a valid certificate of occupancy, if required by the municipality in which the school is located or, if the municipality does not issue certificates of occupancy, obtain a certificate of occupancy issued by the local or regional governmental unit with authority to issue certificates of occupancy, or submit to DPI a form from the municipality indicating that it does not issue certificates of occupancy; (c) comply with federal law that prohibits discrimination on the basis of race, color, or national origin by any program or activity that receives federal financial assistance; and (d) conduct criminal background checks of its employees, and exclude from employment any person not permitted to hold a teaching license as the result of an offense and any person who might reasonably be believed to pose a threat to the safety of others. Further, require private schools annually to submit to DPI a school financial information report, prepared by a certified public accountant, that complies with uniform financial accounting standards established by DPI by rule. The report would have to be accompanied by an auditor's statement that the report is free of material misstatements and fairly represents pupil costs. Require the report to be limited in scope to those records that are necessary for DPI to make payments to the private school.

Require that, if a private school expects to receive at least $50,000 in payments during a school year, then the school would have to do one of the following before the beginning of the school year: (a) file with DPI a surety bond payable to the state in an amount equal to 25% of the total amount of special needs payments expected to be received by the private school during the school year; or (b) file with DPI financial information demonstrating that the private school has the ability to pay an amount equal to the total amount of payments expected to be received by the private school during the school year.

Specify that state law related to the physical restraint of pupils would apply to private schools participating in the program. Provide that the current state law governing pupil transportation by school districts would also apply, which, in general, requires school districts to provide transportation to public and private school pupils who reside more than two miles from the school they are entitled to attend, with school buses, city buses, or other means. Under current law, a child attending a private school is generally entitled to transportation by the district of residence, if the pupil resides within the private school's designated attendance area and the school is located within the school district or not more than five miles beyond the district's boundary, measured along the usually traveled route.

Provide that DPI could bar a private school from participating in the program if the Department determines that the school has done any of the following: (a) intentionally and substantially misrepresented information in required private school reports to DPI and to parents; (b) routinely failed to comply with the standards for a private school annual financial information report or financial information demonstrating that the private school has the ability to repay an amount equal to the amount received under the program for the school year; (c) used payments under the program for any purpose other than educational purposes, or rebated, refunded, or shared a pupil's payment with a parent or pupil; or (d) failed to refund to the state, within 60 days, any overpayments.

If DPI would bar a private school from participating in the program, require that it notify

all pupils eligible to participate in the program and their parents as quickly as possible. A pupil who is attending a private school barred from the program could attend another participating school under the program.

Require the Legislative Audit Bureau to contract for a study of the program, with one or more researchers who have experience evaluating school choice programs. Require the study evaluate the following: (a) the level of satisfaction with the program expressed by participating pupils and their parents; (b) the percentage of participating pupils who were victimized because of their special needs at their resident school district and the percentage of such pupils at their participating school; (c) the percentage of participating pupils who exhibited behavioral problems at their resident school district and the percentage of such pupils at their participating school; (d) the average class size at participating pupil's resident school district and at their participating school; and (e) the fiscal impact of the program on the state and on resident school districts. Specify that the contract would require the researchers who conduct the study to do all of the following: (a) apply appropriate analytical and behavioral science methodologies to ensure public confidence in the study; (b) protect the identity of participating schools and pupils; and (c) require that the results of the study be reported to the appropriate standing committees of the Legislature by January 9, 2019.

Require DPI to promulgate rules to implement and administer these provisions, including rules relating to all of the following: (a) the eligibility and participation of eligible schools, including timelines that maximize pupil and school participation; (b) the calculation and distribution of scholarships; and (c) the application and approval procedures for pupils and eligible schools.

37. TUITION FOR PUPILS ATTENDING A SCHOOL OUT-OF-STATE

Joint Finance: Specify that if the school board of a pupil's district of residence and the school board of a pupil's district of attendance enter a written agreement to permit a pupil to attend a public school outside the school district of residence, including an out-of-state school, the amount of tuition that the school district of residence would pay to the school district of attendance must be specified in a written agreement between the two districts. Provide that the school district of residence would be paid state aid for the pupil, in an amount up to the amount specified in the written agreement, as though the pupil were enrolled in the district of residence.

Delete current law requiring that if a school board provides for the enrollment of a pupil in a public school located outside of this state, the school must be at least 1.5 miles nearer to the pupil's home than any public school in Wisconsin. Additionally, delete current law requiring that the school board pay for the transportation of a pupil who resides two or more miles from an out-of-state school, and specifying that the school district is eligible for state aid for the transportation of the pupil as if the pupil were transported to a school in the district of residence.

Specify that these provisions would first apply to pupils attending a nonresident school in the 2015-16 school year.

Under current law, a pupil can attend a public school outside of the pupil's district of

residence, including an out-of-state school, under a written agreement between the school district of residence and the school district of attendance. The school district of residence receives state aid for that pupil as if he or she were enrolled in the resident district, and must pay tuition to the school district of attendance in an amount determined by the two districts.

District Operations and Standards

1. EDUCATIONAL STANDARDS [LFB Paper 530]

Governor: Prohibit the State Superintendent from giving any effect, or requiring a school board to give any effect, to any academic standard developed by the Common Core State Standards Initiative and adopted and implemented prior to the effective date of the bill. Prohibit the State Superintendent from taking any action to adopt or implement any academic standards developed by the Common Core State Standards Initiative or directing any school board to adopt or implement any academic standards developed by the Common Core State Standards Initiative after the effective date of the bill.

Require that school districts annually, prior to the start of the school term, notify the parents and guardians of pupils enrolled in the district of the academic standards adopted by the school board for that school year. Require that a notice identifying the academic standards adopted by the school board be included as an item on the agenda for the first school board meeting of the school year.

Joint Finance: Modify the Governor's recommendation to specify that school districts could notify the parents and guardians of pupils enrolled in the district of the academic standards adopted by the school board electronically, including on the district's Internet site.

2. SCHOOL ACCOUNTABILITY REPORTS [LFB Paper 531]

Governor: Modify the components required to be included by DPI in the school and school district accountability reports as follows: (a) categorize all measures by English language proficiency, disability, income level, and race or ethnicity; (b) calculate growth in pupil achievement in reading and mathematics using a value-added methodology; (c) delete the measures of college and career readiness for high school pupils and measures indicative of being on track for college and career readiness in the elementary grades; (d) indicate gap closure in pupil achievement in reading and mathematics in addition to graduation rates, when graduation rates are available; (e) include rates of attendance or of high school graduation; and (f) identify a school's level of performance and a school district's level of improvement using a letter grade. Specify that the letter grades would include "A" to indicate that a school or school district significantly exceeded expectations, "B" to indicate that a school or district exceeded expectations, "C" to indicate that a school or district met expectations, "D" to indicate that a school or district met few expectations, and "F" to indicate that a school or district failed to meet

expectations. Require that the accountability report include a qualitative definition for each of the five grade levels.

Require that DPI exclude data from the following when determining a school's performance or improvement: (a) a pupil who was enrolled in a private school under a private school choice program in the eighth grade and transferred to a public school, including a charter school, for the ninth grade; (b) a pupil who was enrolled in a public school, including a charter school, in the eighth grade and transferred to a private school under a private school choice program in the ninth grade; and (c) a pupil in a grade other than ninth grade who was enrolled in the school or school district for less than one year prior to taking the pupil assessment.

Require that if DPI used pupil assessment scores to determine a school or school district's accountability grade, a weighted formula would be used to account for the amount of time that a pupil was enrolled in the school or school district prior to taking the pupil assessment. Under the formula, scores would be weighted as follows: (a) multiply the pupil assessment score of a pupil who was enrolled in the school or school district for at least one year but less than two years by one; (b) multiply the score of a pupil who was enrolled in the school or school district for at least two years but less than three years by two; (c) multiply the score of a pupil who was enrolled in the school or school district for more than three years by three. Specify that the pupil assessment scores of ninth grade pupils could not be weighted.

Require that DPI use a formula to adjust the weight given to the measures of pupil achievement and pupil growth in reading and mathematics based on the number of economically disadvantaged pupils enrolled in the school or school district. Under the formula, scores would be weighted as follows: (a) weight pupil achievement at 90% and pupil growth at 10% if five percent or less of the school or school district membership is comprised of economically disadvantaged pupils; (b) weight pupil achievement at 10% and pupil growth at 90% if 65% or more of the school or school district membership is comprised of economically disadvantaged pupils; (c) if the percentage of economically disadvantaged pupils in the school or school district is greater than five percent but less than 65%, pupil achievement would be weighted by dividing 80 by 60, multiplying the quotient by the percentage of economically disadvantaged pupils in the school or district, and adding 3.35 to the result, and pupil growth would be weighted by subtracting the weight given to pupil achievement from 100. Define an economically disadvantaged pupil as one who satisfies either the federal income eligibility criteria for a free or reduced-price lunch or other criteria determined by DPI.

Require that accountability reports would be published for independent "2r" charter schools and private schools participating in a private school choice program beginning in the 2015-16 school year. Provide that the same criteria would be used to measure the performance of all schools included in the school accountability reports, including independent "2r" charter schools and private school choice program schools.

Require that DPI specify the percentage of pupils attending a private school under a private school choice program on the accountability report of the private school. If a private school submitted achievement data only for pupils attending the school under a private school choice program, require that DPI identify the resulting grade as the choice pupil grade. If a

private school submitted achievement data for pupils attending the school under a private school choice program in addition to all other pupils attending the private school, require that DPI include two grades for that school: (a) a choice pupil grade including data from choice pupils only; and (b) a private school grade derived from all pupils attending the school, including pupils attending under a private school choice program.

Require that each school provide a copy of the school's accountability report to the parent or guardian of all pupils enrolled in the school. Specify that this requirement would apply to all public schools, including charter schools, and all private schools participating in a private school choice program. Require that school boards include the most recent grade level assigned to each school within the school district boundaries, including independent "2r" charter schools and private schools participating in a private school choice program, in its annual notice and letter regarding educational options available in the school district.

Require that the appropriate standing committee of the Assembly and Senate conduct a review of school and school district accountability reports beginning in the 2017-18 school year and every two years thereafter.

Under current law, DPI is required to publish a school and school district accountability report by September of each year. The reports are required to include independent "2r" charter schools and private schools participating in a private school choice program beginning one year after the charter or private school begins using the state student information system. All independent "2r" charter schools and private schools participating in a private school choice program are required to begin using the student information system by the 2015-16 school year.

Joint Finance: Approve the Governor's recommendation, with two technical corrections: (a) correct the weighting formula for measures of pupil achievement and growth based on each school or district's percentage of economically disadvantaged pupils; and (b) delete an incorrect cross-reference referring to a letter sent to parents by each school board regarding educational options.

Additionally, delete the language in the bill requiring that a school's level of performance and a school district's level of improvement is identified using a letter grade. Require that a school's level of performance and a school district's level of improvement be identified using between one and five stars out of five, with one star out of five assigned to a school or district that fails to meet expectations; two stars out of five assigned to a school or district that meets few expectations; three stars out of five assigned to a school or district that meets expectations; four stars out of five assigned to a school or district that exceeds expectations; and five stars out of five assigned to a school or district that significantly exceeds expectations, with the phrase "out of five" used in every instance.

Also, prohibit DPI from including data from a virtual charter school when measuring a school district's improvement under the school district accountability reports if at least 50% of the pupils in the virtual charter school are attending through the open enrollment program.

3. NOTICE OF EDUCATIONAL OPTIONS

Governor: Require that DPI include a link on the home page of its Internet site to information about all of the educational options available to children at least three years old but not yet 18 years old, including public schools, private schools participating in a private school choice program, charter schools, virtual schools, full-time open enrollment, youth options, course options, and options for pupils enrolled in a home-based private educational program.

Require that each public school, independent "2r" charter school, and private school participating in a private school choice program annually provide the parent or guardian of each enrolled pupil with a list of the educational options available to children who reside in the pupil's resident school district, including public schools, private schools participating in a private school choice program, charter schools, virtual schools, full-time open enrollment, youth options, course options, and options for pupils enrolled in a home-based private educational program. Specify that the list would be provided simultaneously with a copy of the school accountability report.

Require that each school board annually, by January 31, publish as a class 1 notice and post on its Internet site a description of available educational options, including public schools, private schools participating in a private school choice program, charter schools, virtual schools, full-time open enrollment, youth options, and course options. Require that the notice and any letter sent with the notice include the most recent school accountability grade assigned to each school within the school district's boundaries, including public schools, private "2r" charter schools, and private schools participating in a private school choice program. Specify that any letter sent by the school board would inform parents that the full school and school district accountability report would be available on the school board's Internet site.

Joint Finance: Approve the Governor's recommendation, with one technical correction to delete an incorrect cross-reference referring to a letter sent to parents by each school board regarding educational options and school accountability grades.

4. WHOLE GRADE SHARING

Governor: Allow the school boards of two or more school districts to enter into a whole grade sharing agreement under which all or a substantial portion of the pupils enrolled in one or more grades in any of the school districts could attend school in one or more of the other districts for all or part of the school day. A district participating in a whole grade sharing agreement would not be required to operate classes at every grade level if the grade were offered at another district participating in the agreement. The proposal would allow two or more school districts to consolidate pupils in a particular grade level by offering that grade in only one of the participating districts.

Require that school boards include the following in a whole grade sharing agreement: (a) the term of the agreement and the date by which each school board would notify the other participating school boards of its intent to renew the agreement; (b) the grade levels in each district that would be subject to the agreement; (c) the annual payment that the school board of a pupil's school district of residence would provide to the district of attendance; (d) which school

board would grant diplomas to pupils who would graduate high school from a district other than their district of residence; (e) which school board would be responsible for the pupil records of pupils who attended a non-resident district under the agreement; and (f) which school board would be responsible for transporting pupils to and from the school they would be attending under the agreement. The agreement could also specify which school board would provide transportation for pupils attending summer school under the agreement. If a school board would not provide transportation for all pupils, require reasonable uniformity in the minimum and maximum distances pupils would be transported. Require that a school board establish attendance areas within the school district for determining the school districts of attendance for pupils, if a school board entered into a whole grade sharing agreement with more than one district.

Provide that a school board could not enter into, extend, or renew a whole grade sharing agreement after February 1 of the school year before the school year the agreement, extension, or renewal would take effect. Require that a school board adopt a resolution stating its intention to enter into, extend, or renew a whole grade agreement at least 90 days before doing so. Within 10 days after the adoption of the resolution, the school district clerk would be required to publish a class 1 notice of the adoption in a newspaper published in the school district or, if no newspaper were published in the school district, post three notices as an alternative to newspaper publication.

Provide that a feasibility study of the whole grade sharing agreement could be requested through a petition signed by at least 20% of the electors residing in the school district and filed with the school board within 30 days after the school board published or posted a resolution stating its intention to enter into, extend, or renew a whole grade agreement. Require that a school board contract with an approved organization to conduct the feasibility study upon receiving the petition and post the results of the study on its Internet site. Prohibit a school board from entering into, extending, or renewing a whole grade sharing agreement until it received the result of the feasibility study, if one were required. Require that the State Superintendent approve organizations to conduct feasibility studies.

Require a school board to hold a public hearing in the school district at least 30 days before entering into, extending, or renewing a whole grade sharing agreement at which the proposed agreement would be described and any school district elector could comment. Two or more school districts that would be part of the agreement could hold a joint public hearing in one of the districts.

Provide that in the school year in which a whole grade sharing agreement would take effect and each of the following four school years, DPI would pay additional aid to each district participating in the agreement to ensure that no district would receive less state aid than the amount for which the district was eligible in the school year prior to the school year in which the agreement took effect. In the fifth school year following the agreement, each school district would be entitled to a payment equal to 66% of the payment that the school district received in the prior year, and in the sixth school year following the agreement, the school district would be entitled to a payment equal to 33% of the payment that the district received in the fourth school year following the agreement. Specify that the additional aid would be paid out of the general school aids appropriation. Provide that the school district providing transportation to pupils

under the agreement would be eligible for state transportation aid.

Require that each school district include in its annual school district report the number of pupils residing in the district but attending a public school in another district under a whole grade sharing agreement, so that these pupils would be counted by the district of residence for purposes of revenue limits and general school aids. If a school board provided transportation to summer school pupils under a whole grade sharing agreement, require that the school district clerk file a report with DPI including information about summer school transportation as required by DPI.

Provide that a pupil attending a public school in a nonresident school district under a whole grade sharing agreement would have all of the rights and privileges of a resident pupil in that district, and would be subject to the same rules and regulations as resident pupils. Specify that a whole grade sharing agreement between school boards would satisfy the requirement to provide access for pupils in grades nine through 12 to study English, social studies, mathematics, science, vocational education, foreign language, physical education, art, and music, as required under the state's 20 standards for school districts. A pupil attending a nonresident school under a whole grade sharing agreement would be considered a resident of the nonresident school district for the purposes of participating in the programs of a cooperative educational service agency (CESA) or county children with disabilities education board (CCDEB).

Provide that if a pupil with a disability attended a public school in a nonresident school district under a whole grade sharing agreement, the school district that the pupil was attending would be considered the local education agency for the purposes of providing special education and related services required under current law, including identifying, locating, and evaluating the pupil, developing an individualized education program (IEP) and providing a free and appropriate public education, and informing the pupil's parents of changes to the pupil's identification, IEP, or educational placement. If a referral for special education services were made to the pupil's resident district by a physician, nurse, psychologist, social worker, administrator of a social agency, teacher, or other individual who believed the pupil had a disability, the resident district would be required to provide the school board of the pupil's district of attendance with the pupil's name and other related information. Require that at least one person designated by the school board of the pupil's district of residence who had knowledge or special expertise about the pupil would be included on the pupil's IEP team. Specify that the school district the pupil was attending would be responsible for providing an educational placement for the pupil and paying any tuition charges required by the placement. If a pupil with a disability was enrolled in a public special education program in another state and the State Superintendent concluded that the program fulfilled state requirements for special education pupils, the State Superintendent would certify to the Department of Administration to provide an amount equal to the amount spent by the pupil's district of attendance during the preceding year for additional costs associated with the child's special education program as costs eligible for reimbursement by special education aid. Provide that transportation for a pupil with a disability would be provided by the district required to provide transportation under the whole grade sharing agreement.

Specify that a pupil attending a nonresident district under a whole grade sharing agreement would not be considered an open enrollment pupil and that current law governing tuition payments for nonresident pupils would not apply.

Provide that a pupil attending a nonresident district under a whole grade sharing agreement could not file a complaint objecting to the use of a race-based nickname, logo, mascot, or team name by the school board of the nonresident district.

Specify that a whole grade sharing agreement would not be considered an order of school district reorganization. A school district participating in a whole grade sharing agreement that did not operate sufficient classes at each grade level for two or more successive years would not be subject to attachment to another school district as is required under current law.

Provide that, for the purposes of indebtedness, a school district that did not operate one or more grades as a result of entering into a whole grade sharing agreement would be considered to be operating those grades.

Provide that all school districts, including Milwaukee Public Schools, could participate in a whole grade sharing agreement.

Joint Finance: Modify the whole grade sharing proposal with the following changes:

a. Specify that the terms of a whole grade sharing agreement must be for one or more entire school years.

b. Specify that a whole grade sharing agreement could include prekindergarten and K4 and K5 programs.

c. Specify that school boards may not enter into, renew, or extend a whole grade sharing agreement after January 10 of the school year preceding the school year in which the agreement would take effect. Under current law, school boards must designate regular and special education open enrollment spaces at their January school board meetings.

d. Specify that a school board must adopt a resolution stating its intention to enter into, extend, or renew a whole grade sharing agreement at least 150 days before doing so to allow sufficient time for a feasibility study, if one is requested.

e. Require the school district clerk to file a certified copy of a whole grade sharing agreement with the State Superintendent within 10 days of entering into, extending, or renewing a whole grade sharing agreement.

f. Specify that a pupil's resident school district is responsible for providing transportation for pupils to and from the school district that they are attending under a whole grade sharing agreement, unless the agreement specifies otherwise. Specify that if a school district provides transportation for resident pupils to attend summer classes in the school district, transportation must also be provided to pupils who attend summer classes in the district under a whole grade sharing agreement. Require that a whole grade sharing agreement specify which school board would be responsible for providing summer school transportation.

g. Provide that the provisions of the bill related to additional state aid for districts in the first seven years following a whole grade sharing agreements would apply for new whole grade sharing agreements only, not for renewals.

h. Specify that if a whole grade sharing agreement provides for a pupil to attend a grade in a nonresident school district and the pupil is already enrolled in that district under the open enrollment plan, the pupil's open enrollment status would be suspended for that year. Specify that this would not prevent a pupil from attending the nonresident district in succeeding school years without reapplying, consistent with current law governing open enrollment.

j. Specify that DPI could promulgate rules to implement and administer the whole grade sharing program.

k. In 2016-17, require a resident school district to pay an amount equal to $12,000 for a pupil with a disability attending a non-resident school under a whole grade sharing agreement. Provide that, beginning in the 2017-18 school year, the amount would equal the sum of the following, as determined annually by DPI: (a) the amount for the previous school year; (b) the amount of the per pupil revenue limit adjustment for the current school year, if positive; and (c) the change in the amount of statewide categorical aid per pupil between the previous school year and the current school year, if positive. The payment would be prorated if a pupil attended the school district under a whole grade sharing agreement for less than a full school year.

l. Specify that the district attended by a pupil under a whole grade sharing agreement would fulfill the responsibilities of the pupil's resident school district with regards to reviewing and approving or denying course options applications. The district attended by the pupil under a whole grade sharing agreement would do the following: (a) receive, from the educational institution at which the pupil wishes to take a course, a copy of the pupil's application, notification of whether the pupil was accepted, and notification of which school the pupil could attend; (b) receive notice from the pupil's parent of the pupil's intent to attend the course; (c) reject an application if the course conflicts with the pupil's individualized education program, does not satisfy a high school graduation requirement, or does not conform to the pupil's academic or career plan; (d) notify the pupil and the educational institution in writing if the pupil's application is denied by the school board and the reason for the rejection; and (e) notify the pupil in writing if the course does not fulfill a high school graduation requirement.

5. PARTICIPATION IN ATHLETICS AND EXTRA-CURRICULAR ACTIVITIES

Joint Finance: Require a school board to permit a pupil who resides in the school district to participate in interscholastic athletics or extracurricular activities on the same basis and to the same extent as pupils enrolled in the district, if the pupil is enrolled in a home-based private educational program. Provide that a school board may charge participation fees to a pupil enrolled in a home-based private educational program who participates in interscholastic athletics or extracurricular activities, including fees for uniforms, equipment, and musical instruments, on the same basis and to the same extent as these fees are charged to pupils enrolled in the district.

Specify that upon request, the home school program would be required to provide the school board with a written statement that the pupil meets the school board's requirements for participation in interscholastic athletics based on age and academic and disciplinary records. Specify that no person could provide a false statement in response to such a request, and the school board could not question the accuracy or validity of the statement or request additional information.

Provide that a school district could not be a member of an athletic association unless the association required member school districts to permit home-based pupils to participate in athletic activities in the district.

6. RENEWAL OF CHILD CARE PROGRAM CONTRACT

Governor/Joint Finance: Delete current law requiring a school board to refer a child care provider to the Department of Children and Families for a criminal history and child abuse record search when renewing a contract for the provision of a child care program. Under the bill, the referral to the Department of Children and Families would only be required for a new contract. Current law allows school boards to provide child care programs for children directly or through a contract with a child care provider.

7. GEOGRAPHIC REPRESENTATION FOR SCHOOL BOARD OF UNIFIED SCHOOL DISTRICTS

Joint Finance: Require that a unified school district that, on the effective date of the bill, encompasses a city with a population greater than 75,000 but less than 100,000 and encompasses at least two villages, elect school board members by a plurality of electors in election districts established through a representation plan. Specify that school board members in a unified school district that meets the above criteria after the effective date of the bill could adopt a resolution providing for the election of members from representative election districts.

Require that such a school district establish a representation plan that meets the following requirements: (a) provide for nine election districts within the school district of substantially similar population; (b) ensure that, to the extent practicable, each election district is compact and contiguous; and (c) ensure that, to the extent practicable, the boundaries of each election district and the boundaries of municipalities encompassed within the school district are congruent. Require that the election districts be numbered and divided into three classes such that one-third of the members of the school board are elected in each year.

Require that the school board adopt a district apportionment plan that apportions the territory of the district into election districts pursuant to the representation plan within 60 days after establishing the representation plan. Decennially thereafter, require the school board to adopt an apportionment plan within 60 days after the population count by census block, established in the decennial federal census of population, and maps showing the location and numbering of census blocks become available in printed form from the federal government or are published for distribution by a state agency.

Require that after the apportionment plan is adopted, candidates for school board file as a candidate for an identified election district. Require that school board members reside in the election district from which they are elected.

Specify that at the first election in which a district apportionment plan was implemented, the following would apply: (a) the first class of election districts from which members of the school

board are elected would be elected to serve a term of one year; (b) the second class of election districts from which members of the school board are elected would be elected to serve a term of two years; and (c) the third class of election districts from which members of the school board are elected would be elected to serve a term of three years. Specify that the incumbent members of the school board who hold office at the time of the first election would cease to hold office at the time the members elected in that first election take office.

Specify that a district apportionment plan adopted after the spring election and before November 1 in any year would be implemented in the spring election following adoption of the plan. A district apportionment plan adopted after November 1 in any year would be implemented at the second following spring election.

Require that the school board of a unified school district that encompasses a city with a population between 75,000 and 100,000 and at least two villages on the effective date of the bill establish a representation plan and adopt an apportionment plan before November 1, 2015, and specify that the members of such a school board who hold office on the effective date of the bill would cease to hold office on the 4th Monday in April, 2016. Require that the district elect nine members at the election held in the spring of 2016 for terms established pursuant to the district apportionment plan and beginning on the 4th Monday in April, 2016.

This provision would apply to Racine Unified School District.

8. SALE OF EXCESS PROPERTY

Joint Finance: Specify that the school board of a common or union high school district may sell any property belonging to and not needed by the district, rather than by vote at the district's annual meeting. Under current law, the sale of any property belonging to and not needed by a common or union high school district must be authorized by a vote at the district's annual meeting, at which every elector of the school district is eligible to vote.

9. TEACHER AND ADMINISTRATOR CONTRACT RENEWALS

Joint Finance: Modify the date by which a school board must give teachers or administrators, business managers, school principals, and assistant principals, written notice of renewal or refusal to renew the teacher or administrator's contract to be 15 days after the passage of the state budget in odd-numbered years, and May 15th in even-numbered years. Specify that the teacher or administrator, business manager, school principal and assistant principal, must accept or reject the contract no later than 30 days after the renewal notification deadline.

Under current law, for teachers, the deadline for written notice of contract renewal or refusal is May 15 of each year, and the teacher must accept or reject the contract no later than June 15. For school district administrators, business managers, school principals, and assistant principals, current law requires the employing school board to give written notice of either renewal of the contract or of refusal to renew the contract at least four months prior to the contract's expiration. The individual is required to accept or reject the contract in writing at least

three months prior to the contract's expiration. If no written notice is given, the contract continues in force for two additional years.

10. HIGH SCHOOL GRADUATION STANDARDS

Joint Finance: Authorize a school board to adopt a resolution to allow high school pupils to earn credit through demonstrating a level of proficiency in a subject area or by creating a learning portfolio related to that subject area. Require that a school board develop written policies and procedures for awarding credit under this process. Require the board to include in its policies and procedures the manner in which a pupil may qualify for high school credit. A pupil could earn no more than half of the credits required for high school graduation through this process, and would still be required to participate in assessments required under state law. Require a non-profit, for-profit, or public educational institution that awards a bachelor's or higher degree or provides a program that is acceptable for full credit towards such a degree, or provides vocational training, and requires a high school diploma for admission, treat a high school diploma earned through this process as equivalent to a diploma earned through course completion.

Specify that a school board can waive state law requiring pupils to participate in a class or an activity approved by the school board during each class period of each class day, for pupils who are earning credit through demonstrating competency or creating a learning portfolio.

11. OPPORTUNITY SCHOOLS AND PARTNERSHIP PROGRAMS

Joint Finance: Create an Opportunity Schools and Partnership Program (OSPP) within the Milwaukee Public Schools (MPS) under the management and control of a Commissioner appointed by the County Executive. Create an OSPP within MPS under which the MPS Superintendent would have the authority to establish a program. Allow for an OSPP to be created in other school districts that meet certain conditions. Make various changes to current law related to MPS facilities and surplus property.

Opportunity Schools and Partnership Programs in Milwaukee

Selection of the Commissioner. Require the Governor, the Mayor of the City of Milwaukee, and the County Executive to each appoint a person who is not an elected official to compile a list of candidates for the position of Commissioner. Specify that, within 120 days after the effective date of the bill, the County Executive must select an individual to serve as the Commissioner from that list. In the event of a vacancy in the Commissioner position, require the County Executive to notify the Governor and Mayor, who shall follow the same procedure to fill the vacancy. Require the County Executive to select an individual to fill the vacancy within 120 days after providing notice. Specify that the Commissioner report to the County Executive and could only be removed from the position for cause. Specify that the County Executive would establish the salary for the Commissioner.

Provide that the Commissioner shall exercise the powers, duties, and functions prescribed

by law under the supervision of the Milwaukee County Executive and independently of the MPS Board. Require that budgeting, program coordination, and related management functions for the schools transferred to this OSPP be performed by the Commissioner. Specify that this OSPP comprises individual eligible schools transferred by the Commissioner under the procedure established under the following provisions.

Selection of Schools for the Programs. Require the State Superintendent, by October 15, 2015, and annually thereafter, to submit a report to the Commissioner and the MPS Superintendent that identifies the eligible schools that are in Milwaukee County that are operated by a school district that has received the lowest rating on the most recent school district accountability report and that either received the lowest rating on the most recent school accountability report or was identified as a vacant or underutilized building. Specify that the report disaggregate the schools by elementary school, middle school, junior high school, high school, senior high school.

Require the Commissioner and the MPS Superintendent to each establish policies for providing qualitative analysis of each eligible school identified in the annual report submitted by the State Superintendent to determine whether the school is suitable for transfer to an OSPP. Specify that the MPS Superintendent may use the policies established by the Commissioner for this purpose. Require the Commissioner and the MPS Superintendent to include as criteria the interest within the school and the school's community of transferring the school to an OSPP, as determined from community engagement as evaluated by the Commissioner or the MPS Superintendent.

Require the Commissioner to select the following number of eligible schools in the indicated year from the report submitted by the State Superintendent, using the policies established above, to be transferred to his or her OSPP for operation in the following year: (a) no less that one and no more than three during the 2015-16 school year; (b) no more than three during the 2016-17 school year; (c) no more than five during the 2017-18 school year and in each school year thereafter. Require the MPS Superintendent to select a similar number of schools as the Commissioner in each year for his or her OSPP after the Commissioner has made his or her selections for that year.

Require the Commissioner to develop a request-for-proposal (RFP) process for soliciting proposals from individuals, organizations, and governing bodies of private schools to operate and manage an eligible school upon transfer of the school to his or her OSPP. Specify that the MPS Superintendent may use the RFP proposal developed by the Commissioner. Require the Commissioner and the MPS Superintendent to initiate the RFP process for each selected school and, upon receipt of the proposals, specify that the Commissioner and the MPS Superintendent may engage the families of pupils enrolled in the school and community members and organizations to cultivate support for the transfer of the school to their OSPP, and make a determination regarding the entity that will operate the school.

Eligible Operators of Schools in the Programs. Require the Commissioner and the MPS Superintendent to determine which of the following will be responsible for the operation and general management of a school upon its transfer to their OSPP: (a) an individual or group

operating an independent "2r" charter school; (b) the governing body of a nonsectarian private school participating in a private school choice program; or (c) an individual or group not currently operating a school. Specify that the Commissioner and the MPS Superintendent could transfer a school to an individual or group operating a charter school or the governing body of a choice school only if either of the following apply: (a) the performance of pupils attending a school operated by the individual, group, or governing body on pupil assessments exceeds the performance on the pupil assessments of pupils attending the school being transferred to the individual, group, or governing body; or (b) the performance category assigned to a school operated by the individual, group, or governing body on the accountability reports for each such school in each of the three preceding consecutive school years exceeds the performance category assigned to the school being transferred to the individual, group, or governing body in each of the three preceding consecutive school years. Provide that if fewer than three accountability reports have been published for the charter or choice schools, the Commissioner or the MPS Superintendent must determine an alternative method for comparing the schools' performance.

Provide that, if the Commissioner or the MPS Superintendent transfers a school to a charter operator, he or she enter into a five-year contract authorizing the individual or group to be responsible for the operation and general management of the school. Provide that Commissioner and the MPS Superintendent may only contract with a not-for-profit group under this procedure. Require that, under the terms of the contract: (a) the individual or group, and schools operated by the individual or group, be subject to the statutory provisions pertaining to pupil nondiscrimination and the waiver of laws and rules, with the exception of achievement guarantee contracts; (b) the individual or group must submit achievement data of pupils attending the school directly to the Commissioner or the MPS Superintendent, who shall submit that data to the MPS Board, and specify that, for reporting purposes, the Board may not modify the Commissioner's or the MPS Superintendent's report; and (c) the Commissioner or the MPS Superintendent must evaluate the performance of the school at the end of the third school year under the contract to determine whether the school is demonstrating adequate growth in pupil achievement, and that if the Commissioner or the MPS Superintendent determines that a school is not demonstrating adequate growth in pupil achievement, he or she may select an alternative individual or group operating a "2r" charter school or a governing body of a choice school, under the procedures outlined above, to be responsible for the operation and general management of the school. Specify that similar provisions would apply for schools transferred to the governing board of a choice school, except that the statutory provisions under (a) above would apply to the governing body of the private school and the schools in an OSPP operated by the governing body, and that the provision under (b) above would include a provision that the governing body administer the assessment of reading readiness and the assessments required of schools participating in the Milwaukee private school choice program.

Require the Commissioner or the MPS Superintendent to become the agent of a lease with the City to take possession and exercise care, control, and management of all land, buildings, facilities, and other property that is part of a school being transferred to their OSPP. Specify that each principal have general supervision of and be custodian of all school premises over which the principal presides.

Transfer of Schools from the Programs. Specify that the Commissioner or the MPS

Superintendent may transfer a school out of their OSPP if the Commissioner or the MPS Superintendent determines that the school has been placed in a performance category of "meets expectations" or higher on the three preceding consecutive accountability reports published for the school. Specify that a school transferred to an OSPP may not be transferred out of an OSPP for five consecutive school years. Provide that the Commissioner and the MPS Superintendent may: (a) return operation and general management of the school to the MPS Board; (b) transfer operation and management of the school to an individual or group as a non-instrumentality charter; or (c) transfer operation and general management of the school to the governing body of a private school. Specify that the Commissioner and the MPS Superintendent may not return operation of a school to MPS if either of the following applies: (a) the school remains an eligible school; or (b) MPS has received in the three most recent consecutive school years a grade of "fails to meet expectations," or its equivalent, on the school district accountability report.

Program Financing and Budgeting. Create a sum sufficient appropriation for payments to the operators of schools in the OSPP for the Commissioner and for the MPS Superintendent. Specify that the per pupil payment for a school operated by an individual or group under an OSPP would be equal to the per pupil payment under the "2r" charter program for that year. (In 2014-15, this payment was $8,075 per pupil. Under the bill, it is estimated that the payment would be $8,087 in 2015-16 and $8,195 in 2016-17.) Specify that the general school aid that would otherwise be paid to MPS would be reduced by an amount equal to the payments from the OSPP appropriation. Specify that MPS would not be able to levy to backfill that aid reduction. Provide that MPS would count these pupils for revenue limit and equalization aid purposes.

Specify that the Commissioner and the MPS Superintendent could charge to schools in their OSPP a fee up to 3% of the per pupil payment amount beginning in 2017-18. Specify that the total amount of fee revenue for either the Commissioner or the MPS Superintendent could not exceed $750,000 in a given year.

Require the Commissioner and the MPS Superintendent to prepare an annual budget for each public school transferred to their OSPP. Require the Commissioner and the MPS Superintendent to annually transmit their proposed OSPP budget to the MPS Board on forms furnished by the auditing officer of the City. Require the MPS Board to notify the Commissioner of the date, time, and place of the public hearing on the MPS budget at least 45 days before the hearing. Require the MPS Board to include the amount spent to operate the Commissioner and the MPS Superintendent OSPP schools and the amount spent to repair and maintain OSPP school buildings and equipment as part of the budget transmitted annually to the Common Council.

Specify that the Commissioner and the County Executive would be able to solicit private gifts and grants for use by the Commissioner for his or her OSPP. Specify that the County Executive and Commissioner would be able to spend the gift and grant money without oversight from the MPS Board and prohibit the County Board from having oversight or access to the gift and grant money.

Other Duties of the Commissioner and the MPS Superintendent. Require the Commissioner and the MPS Superintendent to assume general supervision over public schools

transferred to their OSPP. Provide that the Commissioner and the MPS Superintendent and the schools operated by each be subject to state and federal special education law and to statutory provisions pertaining to pupil assessments, reading readiness assessments, pupil nondiscrimination, and the waiver of laws and rules, with the exception of achievement guarantee contracts.

Require the Commissioner and the MPS Superintendent to develop and manage partnership programs to more efficiently and effectively deploy wraparound services to residents of the County.

Require the Commissioner and the MPS Superintendent to provide alternative public school attendance arrangements for pupils who do not wish to attend a school that has been transferred to their OSPP. Prohibit an OSPP school from charging tuition.

Require the Commissioner to annually submit to the MPS Board and to the County Executive and the MPS Superintendent to annually submit to the MPS Board a report of the total number of pupils enrolled in all schools transferred to their OSPP in the current school year. For each school transferred to their OSPP, require the Commissioner and the MPS Superintendent to indicate the number of pupils enrolled in the school and whether the school is under the operation and general management of an individual or group under the charter program, the governing body of a private school in a private school choice program, or another individual or group.

Require the Commissioner and the MPS Superintendent to determine which of the following instruments will be used to provide health care and retirement benefits to the Commissioner and the employees of his or her OSPP and to employees of the MPS Superintendent's OSPP, and take the necessary and appropriate steps to execute the selected instrument: (a) a memorandum of understanding (MOU) with MPS under which the Commissioner or the MPS Superintendent may purchase health care and retirement benefits; (b) a MOU with Secretary of Employee Trust Funds (ETF) under which the Commissioner or the MPS Superintendent may purchase health care and retirement benefits, with statutory contributions; or (c) a contract between the Commissioner or the MPS Superintendent and a person operating a charter school or the governing body of a private school under which the person or body is required to self-insure or purchase health care and retirement benefits for employees of the school. Allow the Secretary of ETF to enter into such a MOU, unless it would result in a violation of federal tax laws.

Require the Commissioner to identify broad yearly objectives and assess priorities for education in his or her OSPP. Require the Commissioner to issue an annual report to the County Executive and such additional reports as the Commissioner deems desirable on the progress of pupils enrolled in schools in his or her OSPP.

Require the Commissioner or the MPS Superintendent to provide for the transportation of pupils to and from any school transferred to their OSPP. Upon written request from the parent or guardian of a pupil attending a school transferred to an OSPP who is displaced from his or her residence while enrolled in that school, require the Commissioner or the MPS Superintendent to provide transportation assistance to ensure that the pupil may continue to attend the school.

Require the Commissioner and the MPS Superintendent to follow the same expulsion policy in their OSPP schools as established by the MPS Board. Require a school in an OSPP to use random selection if the number of applicants exceeds the number of seats.

Create parallel provisions for the duties of the Commissioner and the MPS Superintendent for their OSPP as exist for the duties of the MPS Board with respect to the custodian of school premises, competitive bidding, comprehensive programs, and alternative routes to graduation.

Powers of the Commissioner and the MPS Superintendent. Provide that the Commissioner and the MPS Superintendent may do all things reasonable to promote the cause of education in schools transferred to their OSPP, including establishing, providing, and improving school district programs, functions, and activities for the benefit of pupils. Specify that the Commissioner or the MPS Superintendent may form a council to advise him or her in the fulfillment of his or her duties. Provide that the Commissioner may enter into a contract for cooperative action under the statutory provisions for intergovernmental cooperation. Specify that the MPS Superintendent may enter into a contract for cooperative action under the statutory provisions for intergovernmental cooperation without the approval of the MPS Board. Provide that the Commissioner and the MPS Superintendent may adopt and modify or repeal rules for the operation of their OSPP and for the organization, discipline, and management of the public schools transferred to their OSPP which shall promote the good order and public usefulness of the public schools.

Specify that the Commissioner and the MPS Superintendent may become an agent of the Board on a lease in a vacant or underutilized school. Specify that, if the Commissioner or the MPS Superintendent enters into a lease with an educational operator to operate a school in such a building, the facility would count towards the limit on the number of schools in their OSPP, but not for the purposes of performance benchmarking.

Provide that that Commissioner and the MPS Superintendent may select, hire, and employ staff and terminate staff if appropriate. Require the Commissioner and the MPS Superintendent to determine the compensation, duties, and qualifications for their staff. Allow the Commissioner and the MPS Superintendent to delegate school staffing decisions to an individual or organization with a contract to operate a school. Specify that these staff would not be subject to the statutory provisions regarding civil service for a city of the first class. Provide that if the Commissioner or the MPS Superintendent transfers a school to their OSPP, he or she may reassign the school's staff members out of the school without regard to seniority in service. Require the Commissioner or the MPS Superintendent to terminate all employees of the school who are MPS employees and require any individual seeking to remain employed at the school to reapply for employment at the school. Specify that employees of an OSPP are not employees of the MPS Board. Upon transfer of a school out of an OSPP, require the Commissioner or the MPS Superintendent to reassign staff members of the school only in consultation with the Board.

Create parallel provisions for the powers of the Commissioner and the MPS Superintendent for their OSPP as exist for the powers of the MPS Board with respect to rules, distribution of printed proceedings, accident insurance, textbooks for indigent pupils, school calendar, school hours, days for closed schools, pupil enrollment under their legal name,

employees, bonded officers and employees, sales and charges, gifts and grants, copyright materials, fences, rules on conduct and dress, and records custodians.

Other Provisions. Require the Legislative Audit Bureau (LAB) to prepare a performance evaluation audit of all the programs beginning in 2017 and biennially thereafter. Modify the LAB statutes regarding access to documents and records to treat an OSPP similarly to school districts.

Provide that the Commissioner be subject to all restrictions, liabilities, punishments, and limitations, other than recall, prescribed by law for members of the Milwaukee Common Council.

Specify that the Corporation Counsel of the County would be the legal adviser of and attorney for the Commissioner and his or her OSPP, except that the Commissioner would retain an attorney in any matter if the County Executive, the County Corporation Counsel, or the Commissioner determines that any of the following applies: (a) the Commissioner or his or her OSPP requires specialized legal expertise not possessed by the County Corporation Counsel; (b) the County Corporation Counsel does not have sufficient staff to adequately represent the interests of the Commissioner or his or her OSPP; or (c) a conflict of interest exists. Require the County Corporation Counsel to notify the Commissioner as soon as a determination is made. Require the Commissioner to provide the County Corporation Counsel with reasonable notice of any meeting at which the Commissioner will consider retention of an attorney.

Prohibit the MPS Board from setting any limit on the enrollment of MPS pupils in non-instrumentality charter schools.

Require the Board to transfer to the Commissioner or the MPS Superintendent the possession, care, control, and management of all land, buildings, facilities, and other property that is part of the school being transferred immediately upon the transfer of a public school to their OSPP.

Specify that an OSPP school operated by the governing board of a private school would be included in the statutory provisions regarding transfer of pupil records, adoption of pupil academic standards, pupil assessments, the volunteer health care provider program, and the notification by courts of correctional placements.

Specify that the list of statutory provisions that apply to a school district in a city of the first class would not apply to the Commissioner or any school transferred to his or her OSPP unless explicitly provided by law or in the terms of a contract.

Opportunity Schools and Partnership Program in Other Districts

Create a process under which a program substantially similar to the programs described above for MPS could be created in another school district. Specify that, for the purpose of this program, an eligible school district is one that satisfies all of the following: (a) the district was assigned to the lowest performance category on two school district accountability reports in the most recent consecutive years; (b) the district has a pupil membership of over 15,000; and (c) the

district received intradistrict transfer aid in the two school years in which the district was assigned the lowest performance category on the school district accountability reports. (In the last two school years, MPS was the only district to be assigned to the lowest of the five categories of "fails to meet expectations" on the school district accountability reports. Madison and Racine met the other two criteria. In the last two accountability reports, Racine was assigned the second-lowest category of "meets few expectations," while Madison was assigned the middle category of "meets expectations.")

Require the State Superintendent to notify the Governor, the appropriate County Executive (defined as the chief elected official of the county within which all or the majority of the territory of an eligible school district lies), and the appropriate Mayor (defined as the mayor of the city within which all or the majority of the territory of an eligible school district lies) as soon as he or she determines under an annual requirement that a district qualifies as an eligible school district. Require that, within 120 days after receiving this notice, the Governor, the Mayor, and the County Executive compile a list of candidates for Commissioner of the OSPP. Require that the County Executive select a Commissioner for an OSPP from that list.

Require the State Superintendent to provide a similar report as that under the Milwaukee programs to the Commissioner of this OSPP identifying eligible schools (defined as those schools assigned to the lowest performance category on the most recent school accountability reports) in the eligible school district. Require the report to be submitted by October 15 of the first year in which the State Superintendent determines that a district is an eligible school district, and annually thereafter.

Provide that the Commissioner would establish an OSPP that is substantially similar to the OSPP under the Milwaukee County Executive described above. Specify that the Commissioner of this OSPP would have all of the powers and duties granted to the Commissioner of the OSPP under the Milwaukee County Executive. Specify that the OSPP in an eligible school district would comprise the individual eligible schools transferred by the Commissioner in the manner provided for the OSPP under the Milwaukee County Executive.

Specify that payments would be made on behalf of pupils attending schools transferred to this OSPP from the same appropriation and in the same manner as payments are made for the OSSP under the Milwaukee County Executive. Specify that adjustments would be made to the amount of state aid received by the eligible school district in the same manner as the OSSP under the Milwaukee County Executive.

MPS Facilities and Surplus Property

Require the MPS Board to specify the net proceeds from the sale of an eligible school building or from the sale of a school building to an individual or group participating in the OSPP that was deposited into the school operations fund in the immediately preceding school year as part of the budget transmitted annually to the Common Council. Specify that these moneys would be included in the school operations fund, and would be used in the same manner as the school operations fund under current law.

Require the MPS Board to prepare an inventory of all school buildings in the district

within 30 days of the effective date of the bill and annually thereafter, with information sorted by the use of the building at the time the report is prepared. Specify that the inventory would include all of the following: (a) the total square footage of and number of classrooms; (b) the portion of the total square footage used for direct pupil instruction; (c) the total number of pupils the building can accommodate and the number of pupils receiving instruction in the building; (d) the name of the principal and the number of full-time instructional staff assigned to the school; (e) the manner in which the school building is being used, if not for direct pupil instruction, including whether the building is vacant or is being used for administration, storage, or professional development; (f) the duration of time in the past 36 months that the school building has been used for direct pupil instruction or for other purposes; (g) whether the MPS Board has identified the building as surplus, underutilized, or vacant on any resolution within the previous five years; and (h) facility condition index information, including estimated short-term and long-term maintenance costs. Require the MPS Board to submit a copy of this inventory to the Commissioner, the Superintendent of MPS, the City Clerk, DPI, and Joint Committee on Finance (JFC). In addition, the Board would be required to notify the Commissioner, the Superintendent of MPS, the City Clerk, DPI, and JFC annually any time a change is made to the use of a school building.

Specify that the Common Council could designate a person to act as the agent of the City with respect to the sale of an eligible school building. Define an eligible school building as any school building that has been designated as surplus, underutilized, or vacant in a resolution adopted by the MPS Board within the previous five years unless the Board is able to demonstrate that the designation no longer applies, or a building that has been unused or underutilized for a period of 12 consecutive months, including the 12 months preceding the effective date of the bill. Define an underutilized building as one at which less than 40% of the capacity of the school building is used for instruction of pupils on a daily, school day basis if any of the following applies: (a) the school is not part of an active expansion plan in which the MPS Board can demonstrate to the Common Council that expansion will occur in the following school year; (b) pupil enrollment in the school has declined in at least two of the three immediately preceding school years; or (c) the school was placed in one of the two lowest performance categories on the school accountability report published for the school year in which less than 40% of the capacity of the school building is used, and there is another MPS school building located within five miles that serves the same or similar grade levels and at which no more than 60% of the building's capacity for pupil instruction is being used. Alternatively, define an underutilized school building as one which is not staffed on a full-time basis by a principal and instructional staff assigned exclusively to the school building, unless the building is staffed on a full-time basis by instructional staff assigned exclusively to that building but shares a principal with another school, or as a school in which the number of hours of pupil instruction offered in the previous school year was less than 80% of the number of hours required under current law.

Provide that only education operators could purchase an eligible school building. Define an education operator as any of the following: (a) the operator of an independent "2r" charter school; (b) the operator of a private school; (c) the operator of a charter school that is not an instrumentality of MPS; (d) an individual or group that is pursuing a contract with an entity to operate an independent "2r" charter school; (e) a person that is pursuing a contract with the Board to operate a charter school that is not an instrumentality of MPS; or (f) any entity or

organization that has entered into a written agreement with any of the operators in (a) through (d) to purchase or lease a building within which the operator will operate a school.

Require that if the Commissioner or the Superintendent of MPS submits a letter of interest within 60 days after receiving the inventory or change notice, the Common Council immediately proceed to add the Commissioner or Superintendent as an agent of the Board on any existing lease for the building between the Common Council and the Board. Provide that if neither the Commissioner nor the Superintendent submit a letter of interest, the City Clerk would be required to post a public notice on the City's Internet site no more than 60 days after receipt of the inventory or notice of changes in the use of a school building. Specify that the public notice would include the following for each building identified as an eligible school building: (a) the address; (b) the total square footage of and number of classrooms in the building; and (c) facility condition index information. Require that the public notice include a request for and instructions for submitting letters of interest from persons interested in purchasing an eligible school building.

Following the receipt of a letter of interest, the City Clerk would be required to update the portion of the City's Internet site containing information about the eligible building to indicate the receipt of the letter and inform other interested education operators that they may also submit letters of interest to the Common Council or its agent within 28 days. If no other letters are received, the Common Council or its agent would be required to do the following within a period of 60 days after the first business day following the end of the 28-day period: (a) determine whether the prospective buyer meets the definition of an education operator; (b) make information about the building available and show the building to the education operator; (c) consider the financial capability of the education operator; and (d) negotiate a reasonable purchase price and terms, based upon an appraisal of the building that includes the purchase price paid for other comparable buildings, or based on the purchase price paid for comparable school buildings sold within the past five years, considering differences in useable square footage, age, condition, location, and any other pertinent information; and (e) complete the sale of the building, in accordance with standard City practices. The Council or its agent could condition closing of a sale on the following: (a) proof of financing for the purchase and any improvements proposed for the building; or (b) inclusion of a reversionary clause permitting the Council to recapture a building that remains unoccupied 24 months after the date of closing due to the failure of the purchaser to complete proposed improvements. The Common Council could not require the education operator to make a payment in lieu of property taxation or to pay a similar fee as a condition of the sale of the eligible building.

If multiple education operators submitted letters of interest within the 28-day period, require the Common Council to initiate a competitive request-for-proposal process and identify members of a committee to select the most suitable buyer for the building within 50 days after the other education operator submits a letter of interest. Specify that the Common Council could not consider the organizational status or type of proposed school when selecting a buyer, but could consider the nature of proposed improvements and amount of any investment in the building, the quality of the proposed design for the building, and the fiscal capability of the education operator. Provide that once a buyer was selected, the Common Council would proceed with the selected buyer using the same procedure as if only one interested operator had submitted

a proposal.

Provide that any person, including someone who is not an education operator, could submit a letter of interest to purchase a school building that has qualified as an eligible school building for more than 24 consecutive months. Require that, upon receipt of a letter of interest, the Common Council proceed with the prospective buyer using the same procedures as for education operators. Specify that this provision would first apply to a school building that qualifies as an eligible school building on the effective date of the bill.

Provide that the net proceeds from the sale of any eligible school building would be deposited into the school operations fund.

Require the MPS Board to retain an attorney to represent the Board in any matter if the Mayor, the Common Council, the City Attorney, or the Board determine that any of the following conditions are met: (a) the matter requires specialized legal expertise not possessed by the City Attorney; (b) the City Attorney does not have sufficient staff to adequately represent the Board; or (c) there is a conflict of interest. Require the City Attorney to notify the Board as soon as a determination is made that the City Attorney is unable to represent the Board.

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$1,247,600	0.00
FED	1,077,200	- 6.00
PR	2,003,400	- 1.00
Total	$4,328,200	- 7.00

Governor/Joint Finance: Adjust the base budget by $601,600 GPR, $538,200 FED, and $1,001,700 PR in 2015-16 and $646,000 GPR, $539,000 FED, and $1,001,700 PR in 2016-17 and a reduction of 1.00 FED position in 2015-16 and 6.00 FED positions and 1.00 PR positions in 2016-17 for: (a) turnover reduction (-$413,100 GPR and -$479,200 FED annually); (b) removal of noncontinuing items from the base (-1.00 FED position beginning in 2015-16 and an additional -5.00 FED positions and -1.00 PR position beginning in 2016-17); (c) full funding of continuing salaries and fringe benefits ($632,300 GPR, $951,600 FED, and $987,700 PR annually); (d) overtime ($274,300 GPR, $50,200 FED, and $13,800 PR annually); (e) night and weekend differential pay ($55,400 GPR, $400 FED, and $200 PR annually); and (f) full funding of lease and directed moves costs ($52,700 GPR and $15,200 FED in 2015-16 and $97,100 GPR and $16,000 FED in 2016-17).

2. ELIMINATE LONG-TERM VACANCIES [LFB Paper 535]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $318,200	- 2.96	$0	0.00	- $318,200	- 2.96
FED	0	- 1.30	- 161,000	0.00	- 161,000	- 1.30
PR	0	- 1.95	- 327,200	0.00	- 327,200	- 1.95
Total	- $318,200	- 6.21	- $488,200	0.00	- $806,400	- 6.21

Governor: Delete positions that have been vacant for 12 months or longer in the following appropriations: (a) general program operations -- Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired (-2.96 GPR positions and -$159,100 GPR annually); (b) federal aids -- program operations (-1.30 FED positions annually); (c) data processing (-1.70 PR positions annually); and (d) funds transferred from other state agencies -- program operations (-0.25 PR positions annually).

Joint Finance: Modify the Governor's recommendation by reducing funding by $80,500 FED and $163,600 PR annually to reflect the salary and fringe benefits associated with the 1.30 vacant FED positions and 1.95 vacant PR positions that would be deleted under the bill.

3. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Department of Public Instruction lapse $1,049,300 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. (See "Budget Management and Compensation Reserves.")

4. STATEWIDE PUPIL ASSESSMENT [LFB Paper 536]

GPR	$8,135,300

Governor/Joint Finance: Provide funding of $2,091,400 in 2015-16 and $3,043,900 in 2016-17 above base year funding of $14,588,500 in the appropriation for the state's pupil assessment program for the Dynamic Learning assessment administered to pupils with disabilities and the ACT assessment administered to pupils in grades nine through 11.

Prohibit the State Superintendent from participation in the Smarter Balanced Assessment Consortium, beginning on the effective date of the bill. Beginning in the 2015-16 school year, prohibit the State Superintendent from adopting or approving an assessment developed by the Smarter Balance Assessment Consortium. Provide an additional $1,500,000 annually in the appropriation for the pupil assessment program to fund development costs associated with implementing a new statewide assessment.

Under current law, the State Superintendent must adopt or approve a statewide standardized pupil assessment. Wisconsin joined the Smarter Balanced Assessment Consortium, a group of states and territories collaborating to develop a new student assessment system

aligned with the Common Core State Standards, in 2010. Funding of $2,782,500 was included in the 2013-15 biennial budget to administer the Smarter Balanced assessments and alternative science and social studies assessments in 2014-15 for pupils in grades three through eight. The first full administration of the new assessments will take place in the spring of 2015. The bill would require the State Superintendent to adopt or approve a new statewide standardized assessment.

5. REQUIREMENTS FOR STATEWIDE ASSESSMENT SYSTEM

Joint Finance: Require DPI to review and adopt or approve a summative assessment system for federal and state accountability purposes beginning in 2015-16. Specify that the system would be used to annually assess pupils in grades three through ten in the subjects of English, reading, writing, science, and mathematics. Specify that the assessment would be administered to all public school pupils in specified grades, including those students as required under federal law.

Require that the assessment system meets the following criteria: (a) be a vertically-scaled, standards-based system of summative assessments; (b) document student progress toward national college and career readiness benchmarks derived from empirical research and state standards; (c) be capable of measuring individual student performance in the following subject matter areas: English, reading, writing, science, and mathematics; (d) be able to be administered primarily in computer-based format, with paper and pencil format available for limited circumstances; and (e) be a predictive measure of student performance on college readiness assessments used by institutions of higher education.

Current state law requires assessments to be administered to pupils in the 4th, 8th, 9th, 10th, and 11th grades, while federal law requires English and mathematics assessments to be administered to pupils in 3rd through 8th grades and science assessments to be administered once each in elementary, middle, and high school grades. The State Superintendent is required to develop an educational assessment program to measure pupil achievement in reading, writing, science, mathematics, and social studies. This provision would establish specific requirements for annual English, reading, writing, science, and mathematics assessments for pupils in grades three through ten, but would not specify changes to the social studies assessment required to be included in the educational assessment program developed by the State Superintendent.

6. ALTERNATIVE ASSESSMENT [LFB Paper 537]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,500,000	- $1,500,000	$0

Governor: Provide $750,000 annually in a new annual appropriation to fund the identification of alternative assessments by the UW-Madison Value Added Research Center (VARC).

Require that DPI request from VARC a list of nationally recognized, norm-referenced alternative assessments determined by VARC to be acceptable for statistical comparison with the assessment adopted or approved by the State Superintendent within 30 days of the effective date of the bill. Require that VARC evaluate and approve at least three and no more than five alternative assessments and submit the list of approved assessments to DPI within 90 days of the effective date of the bill.

Require that the alternative assessments approved by VARC meet the following requirements: (a) align sufficiently with content standards established for the assessment adopted or approved by the State Superintendent; (b) use a variety of testing methodologies, including multiple choice and short answer, to assess a range of pupil skills; (c) include accommodations or alternative assessments for pupils enrolled in a special education program; (d) provide translations for pupils with limited English proficiency; (e) allow a variety of testing modes, including with paper and pencil, in an online format, in a fixed form format, and in an adaptive format; and (f) have internal consistency reliability coefficients of at least 0.8.

Provide that a school board, an operator of an independent "2r" charter school, or a private school participating in a private school choice program would not be required to administer an assessment adopted by the State Superintendent in any grade for which an assessment is required if the school or school district administered an alternative assessment approved by VARC in that grade, beginning in the 2015-16 school year. Require that a school board, an operator of an independent "2r" charter school, or a private school participating in a private school choice program notify DPI of its intent to administer an alternative assessment and annually publish information about the alternative assessment on its Internet site, if the school board, charter school operator, or private school maintains an Internet site and chooses to administer an alternative assessment.

Require that a school board, independent "2r" charter school operator, or private school participating in a private school choice program that chose to administer an alternative assessment approved by VARC submit the results of that assessment to VARC. VARC would review the assessment results and statistically equate them to results from the assessment adopted or approved by the State Superintendent. VARC would provide the assessment data, as statistically equated, to DPI and to the school board, independent "2r" charter school operator, or private choice school. DPI would use the statistically equated data to determine the school or school district's accountability grade.

Provide that if a school administers an alternative assessment in any grade, and the cost of the alternative assessment exceeds the cost of the assessment approved or adopted by the State Superintendent for that grade, the school board, independent "2r" charter school operator, or governing body of the private choice program school would be responsible for paying the difference between the two costs.

Specify that a school board or the operator of an independent "2r" charter school would not be required to administer the statewide assessment or an alternative assessment identified by VARC to pupils in fourth or eighth grade if all of the following occurred: (a) the school district or independent "2r" charter school administered its own fourth and eighth grade assessments; (b)

the school district or independent "2r" charter school operator submitted the results to VARC to be statistically correlated with the results of the statewide assessment; (c) VARC provided the statistical correlations to the State Superintendent; and (d) the federal Department of Education approved.

Provide that alternative assessment scores could be used instead of statewide assessment scores for the following purposes: (a) identifying an eighth grade pupil at risk of not graduating from high school; (b) promoting a pupil from the fourth to the fifth grade; or (c) promoting a pupil from the eighth to the ninth grade.

Require that a school board, the operator of an independent "2r" charter school, or a private school participating in a private school choice program excuse a pupil from taking an alternative assessment at the request of the pupil's parent or guardian. Provide that if a school board entered into an agreement with a federally recognized American Indian tribe or band in Wisconsin to establish a charter school, the school district would be required to administer the assessment adopted or approved by the State Superintendent or an alternative assessment identified by VARC, regardless of the location of the charter school.

Joint Finance: Modify the Governor's recommendation to specify that the provisions related to alternative assessments would only apply after a federal waiver was granted that would allow to allow the state to approve between three and five assessments, with each school district, independent "2r" charter school, and private choice school able to select an assessment to administer in each year from the approved list. Require DPI to request such a waiver from the federal Department of Education.

Transfer the funding provided in the bill, equal to $750,000 GPR annually, to the Joint Finance Committee's appropriation until a waiver is granted. Provide that the Committee would consider release of the funding at its next quarterly meeting under s. 13.10 of the statutes following federal approval of the waiver request. Require DPI to request from VARC a list of nationally recognized, norm-referenced alternative assessments that are acceptable for statistical comparison with the assessment adopted or approved by the State Superintendent within 30 days of the release of the funds by the Committee, and require VARC to evaluate and approve at least three and no more than five alternative assessments and submit the list of approved assessments to DPI within 180 days of the release of the funds by the Committee. Specify that school districts, independent "2r" charter schools, and private choice schools could administer the alternative assessment instead of the assessment chosen by the State Superintendent beginning in the first full school year following the date on which VARC submitted the list of approved assessments to DPI.

7. ELIMINATE STATEWIDE PUPIL ASSESSMENT IN FALL OF NINTH GRADE

[LFB Paper 536]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	- $1,148,000	- $1,148,000

Governor: Delete current law requiring public schools, independent "2r" charter schools, and private schools participating in a private school choice program to administer a ninth grade assessment in the fall of each year. Under current law, the ACT Aspire early high school assessment is administered to pupils in both the fall and the spring of their ninth grade year.

Joint Finance: Modify the Governor's recommendation by reducing funding by $574,000 GPR annually to reflect the decrease in costs associated with administering only one assessment to ninth grade pupils.

8. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- $546,400

Governor/Joint Finance: Delete $158,700 in 2015-16 and $387,700 in 2016-17 as a reestimate of debt service payments for the state residential schools. Annual base level funding is $1,394,100.

9. STATE DATA CENTER HOSTING

GPR	$350,000

Governor/Joint Finance: Provide $175,000 annually above base level funding of $3,313,100 in the appropriation for the state's longitudinal data system. The additional funding would be used for technical support services provided by DOA's Division for Enterprise Technology, which houses a centralized hosting system for the Wisconsin Information Systems for Education (WISE) software programs. The data system hosts data for WISEdash, which provides multi-year education data about Wisconsin schools and districts; WISElearn, which will provide statewide access to digital learning materials; and other DPI programs. Funding would include $150,000 annually to cover the current level of costs, as well as $25,000 annually to allow for expected growth as more applications and services are shifted to the centralized system.

10. FUEL AND UTILITIES FUNDING

GPR	- $20,600

Governor/Joint Finance: Delete $19,400 in 2015-16 and $1,200 in 2016-17 to reflect estimated costs for fuel and utilities for the state residential schools. Annual base level funding is $613,200.

11. FEDERAL REVENUE REESTIMATES

FED	$205,420,000

Governor/Joint Finance: Reestimate federal revenues by $102,710,000 annually for the following: (a) federal aids -- program operations ($1,700,000 annually); (b) federal aids -- local aid ($95,710,000 annually); and (c) federal funds -- individuals and organizations ($5,300,000 annually). DPI indicates that the reestimate does not reflect an anticipated increase in federal funding over base level funding, but rather reflects federal funding that exceeds the amounts currently shown in the appropriation schedule. DPI projects flat or slightly decreasing federal revenue over the upcoming biennium.

12. PROGRAM REVENUE REESTIMATES

PR	- $146,800

Governor/Joint Finance: Reestimate PR expenditures by -$73,400 annually for the following: (a) general educational development and high school graduation equivalency ($16,600 annually); (b) services for drivers (-$93,500 annually); (c) publications ($45,000 annually); and (d) professional services center charges (-$41,500 annually).

13. BADGERLINK

SEG	$551,000

Governor/Joint Finance: Provide $245,300 in 2015-16 and $305,700 in 2016-17 above base level funding of $2,596,500 for the service that provides online access to full text newspapers, magazines, reference books, literature, and other print publications for state residents. The additional funding would maintain current contracts with vendors, including the contract with the Wisconsin Newspaper Association, which is being re-bid in the second year of the biennium. The segregated funding for BadgerLink is provided from the state universal service fund, which receives its revenue through assessments on annual gross operating revenues from intrastate telecommunications providers.

14. TRANSFER OF UNENCUMBERED BALANCES

Governor/Joint Finance: Require the transfer of any unencumbered balances remaining in the following SEG appropriations on June 30 of each year to the appropriation for broadband expansion grants under the Public Service Commission: (a) periodical and reference information services, including Newsline for the Blind; (b) aid to public library systems; and (c) library service contracts.

15. TRANSFER OF POSITION AUTHORITY

Governor/Joint Finance: Transfer 1.19 FTE GPR positions from the appropriation for WISElearn to the appropriation for general program operations.

16. DELETE OBSOLETE APPROPRIATION

Governor/Joint Finance: Delete the DPI appropriation for a grant to the La Causa Charter School.

Under the 2007-09 biennial budget act (2007 Act 20), $250,000 was provided in 2007-08 for the La Causa Charter School in the City of Milwaukee for library, science, and technology improvements. Funding for the grant was provided from the universal service fund. Under Act 20, no moneys could be encumbered from the appropriation after June 30, 2008.

17. ALTERNATIVE TEACHING LICENSE [LFB Paper 538]

PR	$40,000

Governor: Require the State Superintendent to grant a teaching license to an individual

who meets all of the following requirements: (a) has a bachelor's degree; (b) demonstrates proficiency in the subject area or areas that he or she intends to teach by passing a competency exam approved by DPI; and (c) has relevant experience in the subject area or areas that he or she intends to teach, as determined by DPI. Specify that a license granted to an individual meeting these requirements would authorize the individual to teach in grades six through 12 only in the subject area or areas in which he or she demonstrated proficiency and relevant experience. The license would be valid for three years, and would be renewable for three year periods. Provide $20,000 annually above base level funding of $3,417,000 to reflect the estimated increase in revenue associated with the alternative licensing process.

Under current law, the State Superintendent is required to establish rules and procedures for teacher licensing. Administrative rules established by DPI allow an individual with no teaching experience to qualify for a teaching license upon satisfying the following requirements: (a) has a bachelor's degree with a major in the subject area he or she intends to teach; (b) seeks a teaching license in a shortage area, including mathematics, science, special education, English as a second language, bilingual/bicultural, world languages, technology education, or business education; and (c) completes an alternative route education program approved by DPI. An individual who meets these current law requirements qualifies for an initial educator license, which is valid for a period of five years. The initial educator license is non-renewable. An educator may apply for a professional educator license after completing a professional development plan and obtaining at least three years of experience.

Joint Finance: Delete the Governor's recommendation. Instead, establish two alternative methods for the granting of teaching licenses. Specify that other current law requirements regarding teacher licensing would not apply, except that the individual would be required to undergo a background investigation like other candidates for licensure.

a. *Experience-Based Licensure for Technical Education*

The first alternative method would require DPI to grant an initial teaching license to teach a technical education subject, including technology education and any technology related occupation, to an individual who scores at least 100 points based on a point system, with at least 25 points based on the individual's experience in a technical field and at least 25 points based on pedagogical experience, and agrees to complete a curriculum determined by the school board of the district in which the individual would teach. An individual granted a teaching license under this provision would not be required to possess a bachelor's degree.

Specify that the following point values would be assigned based on the individual's experience in a technical field: (a) for a bachelor's degree in any science, technology, engineering, or mathematics (STEM) field and any teaching license or permit, 100 points; (b) for a bachelor's degree in any STEM field, 75 points; (c) for a bachelor's degree in another field, 65 points; (d) for industry certification, 90 points; (e) for industry experience in a trade or technical field, five points per 40 hours worked up to a maximum of 90 points; (f) for an internship in a trade or technical field, 25 points; (g) for being mentored in a trade or technical skill by a colleague or a Wisconsin Technology Education Association approved mentor, 25 points; and (h) for an apprenticeship in a trade or technical field, five points per 40 hours worked up to a maximum of 90 points.

Specify that the following point values would be assigned based on the individual's pedagogical experience: (a) for a bachelor's degree in technical or technology education, 100 points; (b) for a bachelor's degree in a non-STEM field and any teaching license or permit, 75 points; (c) for credit earned at an accredited institution of higher education or technical college, three points per credit up to a maximum of 75 points for technical or technology education courses and STEM courses and three points per credit up to a maximum of 75 points for education and pedagogical course; and (d) for completing at least 100 hours of training in pedagogy, five points per 50 hours up to a maximum of 75 points.

Require DPI to verify the applicant's qualifications using only the following: (a) the applicant's transcript for the applicable degree or credits, for bachelor's degrees or credits earned at an accredited institution of higher education or technical college; (b) the applicant's industry certificate, for industry certification; (c) the signature of a supervisor, employer, or other reliable observer, for industry experience, an internship, mentoring, or an apprenticeship; or (d) verification by a course instructor, transcript, or certificate for pedagogy training. Provide that if the individual is unable to provide the required verification, DPI could use any other proof of the applicant's experience approved by DPI.

Specify that the individual must agree to complete the curriculum determined by the school board of the school district in which the individual would teach during the term of the license. Specify that an initial teaching license granted under this procedure would be valid for three years. Require that DPI issue to the license holder a professional teaching license to teach the technical education subject if the individual successfully completed the curriculum, as determined by the school board of the school district.

Require DPI to approve or deny an application for a technical education license no later than 45 business days after receipt of the application. Require DPI to provide, in writing, the reason for the denial if the application is denied. Specify that if DPI does not act within 45 business days, the application would be considered approved and the applicant considered a licensed teacher until DPI approves or denies the application.

Specify that these provisions would not prohibit DPI from granting a teaching license or permit to teach a technical education subject under current law provisions. Provide that a permit to teach industrial arts subjects could be issued to an applicant who is certified by the technical college system board to teach an industrial arts or similar subject.

b. *License Based on Reciprocity*

The second alternative teaching license would require DPI to grant a license based on the individual's licensure and experience in another state. An individual would qualify for an initial teaching license if he or she holds a teaching license granted by another state, is in good standing, and has at least one year of teaching experience in that state. An individual would qualify for an administrator's license if he or she holds an administrator's license granted by another state, is in good standing, and has at least one year of administrator experience in that state. The individual must have received an offer of employment from a school in Wisconsin prior to applying for such a license, and the application must be completed by both the individual and the employing school/district. The license type, including the subject area and grade level,

would be determined by DPI based on the individual's out-of-state license type or experience.

18. TEACHING LICENSE BASED ON COMPLETION OF MONTESSORI TEACHER EDUCATION PROGRAM

Joint Finance: Require that DPI grant an initial license to teach to an individual who meets the following requirements: (a) has a bachelor's degree; (b) successfully completed a teacher education program accredited by the Montessori Accreditation Council for Teacher Education; (c) successfully completed an introductory course in special education for which the individual earned at least three postsecondary credits; and (d) earned a passing score on any standardized examinations required by the State Superintendent for a license to teach the same educational levels and subjects issued in accordance with existing state law regarding teacher licenses, and on an examination identical to the Foundations of Reading test administered in 2012 as part of the Massachusetts tests for educator licensure. Specify that other current law requirements regarding teacher licensing would not apply, except that the individual would be required to undergo a background investigation like other candidates for licensure.

Specify that the teaching license would authorize an individual to teach the educational levels for which the individual has successfully completed a teacher education program accredited by the Montessori Accreditation Council for Teacher Education at a school that uses the Montessori method as its primary method of instruction. The State Superintendent would be required to treat an initial license to teach granted under this proposal in the same manner in which the State Superintendent treats initial licenses granted under existing state law.

19. STATE SUPPORT FOR DIGITAL LEARNING COLLABORATIVE

SEG	$3,000,000

Joint Finance: Provide $2,000,000 SEG in 2015-16 and $1,000,000 SEG in 2016-17 in a new appropriation for a digital learning collaborative established for the statewide web academy and for delivery of digital content and collaborative instruction. Segregated funding would be provided from the state Universal Service Fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

Current law requires DPI to provide statewide access to online courses for a reasonable fee through a statewide web academy, with access available to school districts, cooperative educational service agencies, charter schools, private schools, and tribal schools located in the state. The collaborative known as the Wisconsin Digital Learning Collaborative (WDLC) is the web academy that is being used to satisfy this current law requirement and is a collaboration between DPI and its two partner organizations, the Wisconsin Virtual School and the Wisconsin eSchool Network. The partner organizations provide services such as technology, software, and virtual content that allow districts to offer online courses to their pupils. Currently, WDLC is funded through revenue generated from fees paid by participating school districts.

20. STUDENT INFORMATION SYSTEM

GPR	- $2,350,000

Joint Finance: Reduce funding in the appropriation for the student information system by $2,350,000 GPR in 2015-16.

21. VIRTUAL MARKETPLACE FOR TEXTBOOKS

GPR	$10,000

Joint Finance: Provide $10,000 GPR of one-time funding in 2015-16 to fund a contract with a vendor or vendors to develop and add educational content to a digital marketplace and resource center. The marketplace would allow authorized personnel from public school districts, independent "2r" charter schools, and private schools, as well as home school educators, to purchase or license digital educational resources, including the following: (a) electronic textbooks; (b) individual sections or chapters from electronic textbooks; (c) supplemental resources, including worksheets, chapter reviews, quizzes, and study sheets; and (d) other digital offerings available from content providers or publishers, including videos. Provide that DPI would serve as the Internet host for the marketplace and resource center.

Require that DPI ensure that more than one educational publisher makes available the educational content on the marketplace and resource center. Provide that authorized personnel described above would have the option to license the content at a tiered rate for one year, three years, or six years, or purchase a permanent license.

Require that the vendor ensure that market and resource center software run and display properly on any computer, mobile phone, or other device with internet capability. Require the vendor to ensure that any educational content runs and displays properly on the most common and up-to-date personal computing and mobile operating systems, including Microsoft Windows, Google Android, and Apple computer operating systems, or their equivalent.

22. MICROSOFT IT ACADEMY

Joint Finance: Require DPI to designate one individual to serve as a statewide coordinator for the Microsoft IT Academy.

The Microsoft IT Academy program provides educational institutions with technology curriculum and learning tools such as digital access to technology textbooks. Additionally, program members may purchase discounted Microsoft Certification exam vouchers that allow pupils to earn certification to demonstrate the skills they learn through the program. Participation in the program requires one individual to serve as a statewide coordinator.

23. ALLOW DISTRICTS TO SELECT ASSESSMENT OF READING READINESS

Joint Finance: Require each school district or independent "2r" charter school operator to administer a reading assessment selected by the district or charter school operator to assess the reading readiness or grade-level reading achievement of pupils enrolled in four-year-old kindergarten through second grade, beginning in the 2016-17 school year. Specify that school

boards or charter school operators could administer computer adaptive assessments. Provide that current law requiring each school district and independent "2r" charter school to annually assess each pupil enrolled in four-year-old kindergarten through second grade with an assessment of literacy fundamentals selected by DPI would continue to apply in the 2015-16 school year.

Require DPI to pay to each school district the per pupil cost of the assessment selected by the school board or independent "2r" charter school operator multiplied by the number of pupils assessed in the school district or "2r" charter school from the appropriation for assessments of reading readiness. Specify that if funding in the appropriation was insufficient in any year, payments would be prorated.

Current law requires DPI to select an assessment of reading readiness that is appropriate, valid, and reliable, to be administered annually to pupils in 4K through 2nd grade. DPI is required to ensure that the assessment evaluates whether a pupil possesses phonemic awareness and letter sound knowledge. An appropriation equal to $2,151,000 GPR is provided in each year of the biennium for these assessments.

24. CIVICS ASSESSMENT REQUIREMENT FOR HIGH SCHOOL GRADUATION

Joint Finance: Specify that a school board, independent "2r" charter school operator, and private choice school could not grant a high school diploma and the State Superintendent could not grant a declaration of equivalency of high school graduation to an individual unless he or she has successfully completed a civics assessment, beginning in the 2016-17 school year.

Require that the civics assessment consist of 100 questions that are identical to the 100 questions that may be asked of an individual during the process of applying for U.S. citizenship by the United States Citizenship and Immigration Services. Require that pupils correctly answer at least 60 of those questions. Specify that a pupil may retake the assessment until the pupil obtains a passing score on the assessment. A school board, operator of an independent "2r" charter school, or governing body of a private choice school could determine the format of the test and when in the school year the test would be administered.

Specify that a pupil for whom an individualized education program is in effect would be required to complete the civics assessment, but would not be required to earn a specified score on the assessment prior to graduation. Provide that a pupil with limited English proficiency could take the civics test in the pupil's language of choice. Specify that the civics assessment requirement would not apply to a high school diploma awarded to a veteran meeting specific requirements specified in current law.

Require school boards, independent "2r" charter school operators, and private choice schools to periodically review and revise their written policy specifying criteria for granting a high school diploma. Specify that the written criteria would be required to include successful completion of the civics assessment.

25. REGIONAL OR NATIONAL ACCREDITATION OF TEACHER EDUCATION PROGRAMS

Joint Finance: Require the State Superintendent to accept accreditation by a regional or national institutional accrediting agency recognized by the U.S. Department of Education or by a programmatic accrediting agency, if the State Superintendent requires that an institution of higher education be accredited for the purpose of granting a license to teach or for approving a teacher preparatory program.

Under current law, most teacher licenses issued by DPI require the completion of a teacher preparatory program. The State Superintendent has the authority to develop standards, requirements, and procedures for the approval of teacher preparatory programs in Wisconsin.

26. REQUIREMENTS TO RENEW A TEACHING LICENSE

Joint Finance: Require DPI to accept credits earned at any institution of higher education, as defined in federal law, if credits from an institution of higher education are required to renew a license to teach.

In general, new teachers in Wisconsin are first granted an initial educator license, which is valid for a period of five years and is non-renewable. An individual with an initial educator license may apply for a professional educator license, which can be renewed for an indefinite number of five-year periods, after completing a professional development plan and obtaining at least three years of teaching experience.

PUBLIC SERVICE COMMISSION

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
FED	$692,400	$4,688,400	$4,688,400	$0	0.0%	$3,996,000	577.1%
PR	35,579,400	37,023,800	33,696,800	- 3,327,000	- 9.0	- 1,882,600	- 5.3
SEG	13,064,400	19,039,200	16,039,200	- 3,000,000	- 15.8	2,974,800	22.8
TOTAL	$49,336,200	$60,751,400	$54,424,400	- $6,327,000	- 10.4%	$5,088,200	10.3%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
FED	1.00	7.00	7.00	0.00	6.00
PR	141.00	126.25	138.00	11.75	- 3.00
SEG	4.00	3.00	4.00	1.00	0.00
TOTAL	146.00	136.25	149.00	12.75	3.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

FED	- $81,200
PR	701,000
SEG	- 25,200
Total	$594,600

Governor/Joint Finance: Provide standard budget adjustments totaling -$40,600 FED annually, $345,200 PR in 2015-16 and $355,800 PR in 2016-17, and -$12,600 SEG annually. Adjustments are for: (a) turnover reduction (-$260,900 PR annually); (b) full funding of continuing position salaries and fringe benefits (-$43,500 FED, $582,500 PR, and -$12,600 SEG annually); and (c) full funding of lease and directed move costs ($2,900 FED annually and $23,600 PR in 2015-16 and $34,200 PR in 2016-17).

2. FUNDING FOR BROADBAND EXPANSION GRANTS FROM THE UNIVERSAL SERVICE FUND (USF) [LFB Paper 545]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$6,000,000	- $3,000,000	$3,000,000
PR	0	- 1,000,000	- 1,000,000
Total	$6,000,000	- $4,000,000	$2,000,000
GPR-REV	$0	$3,347,400	$3,347,400

Governor: Modify the current law appropriation for making broadband expansion grants by renumbering the appropriation and changing it from a continuing appropriation to a biennial appropriation. Authorize the use of universal service fund revenues for making broadband expansion grants, and create a continuing SEG appropriation for making broadband expansion grants with universal service fund revenues. Set the amounts in the appropriation at $6,000,000 in 2015-16 and $0 beginning in 2016-17. Further, create a SEG appropriation to receive universal service fund revenues and require the unencumbered balance on June 30 of each year to be transferred from each of the following appropriation accounts to this new appropriation: (a) universal telecommunications service (PSC); (b) periodical and reference information databases; Newsline for the blind (DPI); (c) library service contracts (DPI); (e) telecommunications access (DOA); and (f) educational agencies telecommunications services (UW System - this transfer would occur only in 2015-16 since the appropriation would be eliminated in 2016-17 as part of the proposed UW System re-structuring). Although no estimate of revenues is included in the bill, administration officials indicate they expect approximately $6.0 million would be transferred for PSC broadband grants in the initial year.

The broadband expansion grant program was created by 2013 Wisconsin Act 20 and funded by transferring $4.3 million from DOA's appropriation for information technology and communications services to nonstate entities. From those revenues, the PSC is authorized to make grants of up to $500,000 annually from a continuing appropriation. The bill would change that appropriation to a biennial appropriation and grants would continue to be made until the $4.3 million is depleted. The bill would provide $6.0 million from the balance of the USF in 2015-16 only, and create an ongoing funding source for the grants by transferring the unencumbered balances at the end of each fiscal year from each of the existing appropriations currently funded with USF revenues. The unencumbered balances, currently estimated at $6.0 million initially, would be transferred at the end of each fiscal year and be available for PSC broadband grants beginning in the following fiscal year.

USF programs are funded through PSC assessments on companies providing retail intrastate voice telecommunications services. Assessments are limited to revenues from services that either originate or terminate in Wisconsin. Providers pay monthly assessments based on an assessment rate that the PSC adjusts annually.

Joint Finance: Modify the Governor's proposal for making broadband expansion grants as follows: (a) remove the Governor's proposal to renumber the current law PR appropriation for

making broadband expansion grants, and instead, repeal the appropriation on the effective date of the bill, thereby reducing expenditures by $500,000 PR annually, and transferring the unencumbered balance in the appropriation account, estimated at $3,347,400, to the General Fund; (b) approve the Governor's proposal to authorize the use of universal service fund revenues for making broadband expansion grants and to create a SEG appropriation for this purpose; (c) remove the Governor's proposal to set the amounts in the appropriation at $6,000,000 in 2015-16 and $0 beginning in 2016-17, and instead, authorize the expenditure of $1,500,000 SEG each year for grants and make a one-time transfer of $6,000,000 SEG from the unencumbered balance of the universal service fund; (d) delete the Governor's proposal to create a SEG appropriation to receive universal service fund revenues transferred from the year-end unencumbered balances from the various USF appropriation accounts to this new appropriation.

In addition, require the PSC to submit a report to the Joint Committee on Finance on causes of the unencumbered balance in the universal service fund and the changes that could be made to the procedures for setting the budgets for the various universal service fund programs and for establishing contribution rates for providers that would reduce the unencumbered balance in the future. Require the report to include a recommendation on the level of fund balance that is appropriate to accommodate timing imbalances between revenues and expenditures. Require the report to include an explanation of how unspent revenues in the fund's balance, in excess of any revenues needed to accommodate timing imbalances between revenues and expenditures, was incorporated into the contribution rates to be imposed on telecommunications providers in 2015-16. Require the report to be submitted to the Committee for its third quarterly meeting in 2015 (September) under s. 13.10 of the statutes. Prohibit the PSC from imposing any revisions to contribution rates in 2015-16 unless the report is approved by the Committee.

3. FUNDING FOR STATE BROADBAND OFFICE [LFB Paper 546]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$500,000	- $250,000	$250,000

Governor: Increase expenditure authority for the PSC's utility regulation appropriation by $250,000 PR annually to provide funding for the state broadband office. The administration indicates that the additional expenditure authority would be used to continue contracts with third party providers who maintain the state's broadband map and collect information from telecommunications providers related to broadband access and capacity. The utility regulation appropriation is funded with revenues from PSC assessments on investor-owned and municipally-owned public utilities. Consequently, there would be a corresponding increase in program revenues.

Joint Finance: Decrease the proposed increase in expenditure authority by $125,000 in each year of the 2015-17 biennium, and specify that the remaining funding ($125,000 each year) be one-time and not be included in the base year for purposes of developing the 2017-19 biennial budget.

4. CRITERIA FOR AWARDING BROADBAND EXPANSION GRANTS [LFB Paper 547]

Governor: Modify the criteria used by the PSC in prioritizing projects for the award of broadband expansion grants to include projects "that are scalable." Current law requires the PSC to give priority to projects that include matching funds, involve public-private partnerships, affect areas with no broadband providers, or affect a large geographic area or a large number of underserved individuals or communities. The administration states that the change would prioritize projects that are able to match future high capacity demands.

Joint Finance: Modify the proposal by defining scalable as the ability of a broadband network to maintain the quality of its service while increasing parameters relating to the size of the network, such as the number of users, the number of network nodes, the number of services provided, or the network's geographical spread.

5. TRANSFER RELOCATION ASSISTANCE AND STATE ENERGY OFFICE PROGRAMS FROM DOA TO THE PSC [LFB Paper 112]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$4,077,200	6.00	$0	0.00	$4,077,200	6.00
PR	177,800	1.00	- 177,800	- 1.00	0	0.00
Total	$4,255,000	7.00	- $177,800	- 1.00	$4,077,200	6.00

Governor: Transfer responsibility for administering the relocation assistance and state energy office programs from DOA to the PSC, as follows.

Relocation Assistance. Transfer 1.0 GPR position from DOA to the PSC, convert the position from GPR to PR funding, and provide funding of $88,900 PR annually for the relocation assistance program.

State Energy Office. Provide $2,038,600 FED annually and 6.0 FED positions to be transferred from DOA to the PSC. While the state budget system reflects the transfer of 6.0 FED positions to the PSC from the DOA State Energy Office, the bill would specify that only 5.0 incumbents be transferred. DOA has indicated that it intends to submit an "Errata" to reduce the number of transferred State Energy Office positions in the budget system to 5.0.

General Provisions. Relative to the transferred programs, specify that, as determined by DOA, any related assets, liabilities, and tangible personal property are also transferred from DOA to the PSC, that any matters pending with DOA remain pending with the PSC, that any contracts entered into by DOA remain in effect with the PSC, and that any promulgated rules and orders made by DOA remain in effect until their expiration or until they are modified, rescinded, or repealed by the PSC. Specify that six incumbent DOA employees holding the transferred positions, as determined by the DOA Secretary, are also transferred to the PSC and that those employees have all the rights and the same status under the state employment relations statute as

prior to their transfer. Specify that no transferred employee who has attained permanent status would be required to serve a probationary period.

Joint Finance: Modify the proposal to maintain the relocation assistance program and 1.0 GPR position at DOA. [See "Administration -- Transfers."]

6. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	- 9.00	9.00	0.00
SEG	- 1.00	1.00	0.00
Total	- 10.00	10.00	0.00

Governor: Require that all information technology services for the PSC be provided by the Department of Administration (DOA).

Delete 10.0 positions from the following appropriations of the PSC, to transfer responsibility for all information technology services to DOA: (a) utility regulation (9.0 PR positions); and (b) energy efficiency and renewable resource programs (1.0 SEG position). Funding associated with the positions ($876,800 PR and $94,100 SEG annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of the PSC related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

7. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	- 3.00	3.00	0.00

Governor: Delete 3.0 positions from the PSC's utility regulation appropriation for a

shared agency services pilot program under DOA. Funding for the positions ($219,000 annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

8. ELIMINATE LONG-TERM VACANCIES [LFB Paper 548]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$0	2.75	- $306,600	0.75	- $306,600	- 2.00

Governor: Delete 2.75 PR positions to reflect the elimination of long-term vacant positions under the bill. These positions have been vacant for 12 months or more. Two of the positions are funded under the utility regulation appropriation and include a policy initiatives advisor, vacant since May 3, 2013, and an attorney, vacant since August 28, 2011. The 0.75 position is funded under the railroad and water carrier regulation general operations appropriation (Office of the Commissioner of Railroads) and has been vacant since September 8, 2012.

Joint Finance: Modify the proposal by retaining the position authority for the 0.75 railroad safety analyst position under the Office of the Commissioner of Railroads. Approve the recommendation to eliminate the 2.0 PSC positions and, in addition, eliminate the funding associated with the positions ($153,300 PR annually).

9. CONSOLIDATION OF PUBLIC INFORMATION OFFICER AND LEGISLATIVE LIAISON FUNCTIONS

	Funding	Positions
PR	- $184,400	- 1.00

Governor/Joint Finance: Reduce the number of unclassified division administrator positions at the PSC from eight to seven and reduce PR funding related to the position by $92,200 annually. The administration indicates that the intent of this provision is to consolidate the duties of the public information officer and the legislation liaison positions into a single position. Under 2011 Wisconsin Act 10, a number of classified positions in various state agencies were transferred into the unclassified service to serve as division administrators. Also, Act 10 redefined "other managerial positions," including communications positions, legislative liaison positions, and attorney services positions, as administrators and moved these positions

from the classified to the unclassified service.

10. WIND ENERGY HEALTH STUDY [LFB Paper 549]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$250,000	- $250,000	$0

Governor: Increase the PSC's utility regulation appropriation by $250,000 PR and require the PSC to allocate not more than $250,000 in 2015-16 to study health issues related to wind energy systems, as defined under current law. Permit the study to consider the surveys made by the Wind Siting Council, but specify that the study not replicate those surveys. Direct the Commission to submit its report to the Governor and to the Chief Clerks of the Senate and the Assembly, no later than the first day of the 13th month after the effective date of the biennial budget act. On October 31, 2014, the Wisconsin Wind Siting Council issued its report entitled, "Wind Turbine Siting - Health Review and Wind Siting Policy Update." The report is required under current law, and subsequent reports are required every five years. The report contains a survey of peer-reviewed literature "on the issue of wind energy systems and health."

Joint Finance: Delete the Governor's recommendation and instead require the PSC to conduct a review of studies conducted to ascertain the health effects of industrial wind turbines on people residing near turbine installations. If the review shows that there are substantially negative health effects on people living beyond the current 1,250 foot setback radius, the PSC may submit any necessary revisions to the existing administrative rules to the Legislative Council Rules Clearinghouse not later than six months after completion of the study.

11. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the PSC lapse $98,700 to the general fund from unencumbered balances of PR appropriations in 2015-16 also apply to 2016-17. (See "Budget Management and Compensation Reserves.")

12. INTERVENOR COMPENSATION

PR	- $1,342,600

Joint Finance: Modify the amounts paid under the intervenor financing and grants appropriation by repealing the authorization for grants to nonprofit corporations that have a history of advocating at the Commission on behalf of ratepayers and by reducing the compensation rate for consumer groups and consumer representatives from 100% of the cost of participating in a PSC hearing to 50% of that cost. Decrease expenditures from the appropriation by $671,300 PR annually.

13. DESIGNATION OF CHAIRPERSON OF THE COMMITTEE

Joint Finance: Specify that the chairperson of the PSC is a distinct appointment, and is different from that of a Commissioner. Upon expiration of the two-year term as chairperson, specify that the individual would resume his or her remaining term as a Commissioner. Specify that all current law provisions that apply to a Commissioner of the PSC related to financial interests and involvement in political activities also apply to the chairperson. Specify that these provisions apply to an individual serving as chairperson on the effective date of the bill.

14. REGULATION OF ALTERNATIVE TELECOMMUNICATIONS UTILITIES

Joint Finance: Remove the PSC's authority under current law to require alternative telecommunications utilities (ATUs) to: (1) obtain PSC approval before abandoning or discontinuing any line, extension, or service; (2) remove poles and certain other structures from a right-of-way, if the ATU abandons the right-of-way; or (3) dispose of any part of a right-of-way obtained by the ATU by condemnation, if the right-of-way is in a rural area and the ATU abandons the right-of-way. This provision would become effective on the general effective date of the biennial budget act.

15. DEFINITION OF ESSENTIAL TELECOMMUNICATIONS SERVICES

Joint Finance: Modify the current law provision that defines essential telecommunications services as "the services or functionalities listed in 47 CFR 54.101(a) as of January 1, 2010" by deleting the reference to January 1, 2010. Current state law requires certain telecommunications providers to make available to their customers all "essential telecommunications services," which are defined as services or functionalities listed in a regulation of the Federal Communications Commission (FCC) as of January 1, 2010. The requirement applies to a telecommunications provider that is designated under federal law as a telecommunications carrier eligible to receive support from the federal universal service fund. By eliminating the reference to January 1, 2010, the definition of "essential telecommunications services" incorporates any changes that the FCC has made or will make to its regulation after January 1, 2010.

16. TELECOMMUNICATIONS PRIVACY COUNCIL

Joint Finance: Eliminate the Telecommunications Privacy Council based on its identification by the Department of Administration as an inactive board, council, or commission.

17. CONDEMNATION AUTHORITY FOR OIL PIPELINE COMPANIES

Joint Finance: Delete the reference to "corporation" and substitute "business entity" in the current law provision which conveys the authority to condemn real estate and personal property to corporations that transmit oil or related products in pipelines in Wisconsin and that maintain

terminal or product delivery facilities in Wisconsin, subject to the approval of the PSC upon a finding that the proposed real estate interests sought to be acquired are in the public interest. Include a reference to a business entity having condemnation authority in the current law provision concerning Building Commission approval of privately owned or operated facilities on state-owned land, and replace references to "corporation" with references to "business entity" under the current law provision concerning rights of abutting land owners.

REVENUE

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$184,542,000	$215,635,900	$215,511,100	- $124,800	- 0.1%	$30,969,100	16.8%
PR	40,074,800	42,930,100	42,930,100	0	0.0	2,855,300	7.1
SEG	149,360,200	160,441,700	160,441,700	0	0.0	11,081,500	7.4
TOTAL	$373,977,000	$419,007,700	$418,882,900	- $124,800	0.0%	$44,905,900	12.0%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	870.53	963.53	968.53	5.00	98.00
PR	119.05	129.05	129.05	0.00	10.00
SEG	106.70	104.70	104.70	0.00	- 2.00
TOTAL	1,096.28	1,197.28	1,202.28	5.00	106.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	$6,017,900
PR	1,136,700
SEG	73,000
Total	$7,227,600

Governor/Joint Finance: Provide adjustments to the base budget for: (a) turnover reduction (-$1,448,000 GPR and -$127,400 SEG annually); (b) full funding of continuing position salaries and fringe benefits ($4,585,200 GPR, $413,000 PR, and $179,900 SEG annually); (c) reclassifications and semiautomatic pay progression ($130,900 PR and $1,800 SEG in 2015-16 and $190,200 PR and $8,300 SEG in 2016-17); (d) full funding of lease and directed moves costs (-$178,900 GPR, -$9,600 PR, and -$28,500 SEG in 2015-16 and -$77,600 GPR, -$800 PR, -$13,600 SEG in 2016-17); and (e) minor transfers within the same alpha appropriation.

2. MINOR TRANSFERS BETWEEN APPROPRIATIONS

PR	- $32,900
SEG	32,900
Total	$0

Governor/Joint Finance: Delete $16,600 PR and provide $16,600 SEG in 2015-16, and delete $16,300 PR and provide $16,300 SEG in 2016-17, to reflect: (a) adjustments to specific appropriation funding levels based on positions that have moved between divisions; (b) adjustments to supplies and services associated with those positions; and (c) centralization of IT functions, the costs of which are distributed among multiple divisions within the Department.

3. ELIMINATE LONG-TERM VACANT POSITIONS

	Funding	Positions
GPR	- $339,600	- 2.00
SEG	0	- 2.00
Total	- $339,600	- 4.00

Governor/Joint Finance: Delete $169,800 GPR, 2.0 GPR positions, and 2.0 SEG positions, annually, to reflect the elimination of long-term vacant positions under the bill. The Governor's proposal would not delete SEG expenditure authority associated with the deleted positions. Each of the deleted positions has been vacant for more than one year.

4. DELETE VACANT INFORMATION TECHNOLOGY INFRASTRUCTURE POSITIONS

	Positions
GPR	- 1.00
PR	- 1.00
Total	- 2.00

Governor/Joint Finance: Delete 2.0 vacant positions at the Department of Revenue (DOR) "to reflect infrastructure functions that have already transitioned" to DOA. Positions would be deleted from the following appropriations: (a) administrative services and space rental -- general program operations (1.0 GPR position); and (b) collection of taxes -- debt collection (1.0 PR position). Funding associated with the positions ($84,900 GPR and $84,900 PR annually) would not be reduced, but rather reallocated to supplies and services to pay DOA for information technology services provided.

5. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	- 1.00	-$124,800	0.00	- $124,800	- 1.00

Governor: Delete 1.0 position identified by the administration as being generally related to marketing or communications. The position would be deleted from the state and local finance -- general program operations appropriation. Associated funding ($62,400 GPR annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for

an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting funding associated with the positions, rather than reallocating funding to supplies and services. Delete $62,400 annually from the state and local finance -- general program operations appropriation. Additional information on the Office of Marketing is available under "Tourism.

6. EXTEND UNCLAIMED PROPERTY PROGRAM PERMANENT PROJECT POSITIONS

Governor/Joint Finance: Extend the end date for 2.0 PR permanent project positions in the unclaimed property program from June 30, 2015, to June 30, 2017. The positions are classified as unclaimed property representatives. [It should be noted that the 2.0 positions and associated funding of $91,600 PR annually ($64,100 PR salaries and $27,500 PR fringe benefits) should have been removed from the agency's adjusted base under standard budget adjustments as a non-continuing element.]

7. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that DOR lapse $1,383,400 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

Tax Administration

1. EXPAND AUDITING ACTIVITY [LFB Paper 560]

	Funding	Positions
GPR	$25,415,600	102.00
GPR-Tax	$113,500,000	

Governor: Provide $11,810,500 in 2015-16 and $13,605,100 in 2016-17 and provide 102.0 positions annually to increase auditing activities and to improve tax collections. The administration estimates that the additional auditing activity would result in an increase in state tax revenues of $31.5 million in 2015-16 and $82.0 million in 2016-17. According to the administration, the additional positions would be allocated for auditing activity in the following manner:

a. Eight Revenue Tax Specialist 1 positions for additional sales and use tax nexus investigation. The administration estimates that these positions would generate additional revenues of $6.0 million in 2015-16 and $8.0 million in 2016-17.

b. Sixteen positions (one Revenue Management Supervisor, five District Auditors, and 10 Large Case Auditors) for the purpose of auditing businesses that are currently filing Wisconsin sales and use tax returns and are headquartered outside the state. The administration indicates that these types of businesses may have significant underreporting of tax revenues and have likely never been audited by the Department. The administration estimates that these positions would generate additional sales and use tax revenues of $7.5 million in 2015-16 and $15.0 million in 2016-17.

c. Thirty-one positions (three Revenue Management Supervisors and 28 Large Case Field Auditors) to specialize in auditing corporate income/franchise tax combined returns. The administration estimates that these positions would generate additional state corporate income/franchise tax revenue of $9.0 million in 2015-16 and $29.0 million in 2016-17.

d. Thirty-nine positions (three Revenue Management Supervisors and 36 Revenue Auditor 3 positions) to increase audits on small C corporations, tax-option corporations and partnerships. The administration estimates that these positions would generate additional state tax revenues of: (1) $6.75 million in 2015-16 and $22.50 million in 2016-17 under the corporate income/franchise tax; and (2) $2.25 million in 2015-16 and $7.50 million in 2016-17 under the individual income tax.

e. Eight administrative and support positions (one Revenue Administrative Manager, three Tax Resolution Officers -- Field Audit, and four Revenue Field Auditor 8 positions) to provide managerial support associated with the increased auditing activity by helping to select audits, reviewing auditing capacities, and addressing the expected increase in appeals of audit adjustments.

Joint Finance: Approve the Governor's recommendation. In addition, require DOR to submit an annual report to the Joint Committee on Finance within six months following the close of state fiscal years 2015-16 through 2019-20 that contains information regarding the actual or estimated amounts of state tax revenues generated by, and expenditures associated with, the additional full-time auditor positions. Require the annual report to include the number of audits, and the amount of revenue generated from those audits, that were performed on persons headquartered or residing outside Wisconsin compared to persons headquartered or residing in Wisconsin.

2. EXPAND STATEWIDE DEBT COLLECTION [LFB Paper 561]

	Funding	Positions
PR-REV	$12,961,500	
GPR-REV	11,210,000	
PR	$1,751,500	11.00

Governor/Joint Finance: Provide $803,800 in 2015-16 and $947,700 in 2016-17 and 11.0 revenue agent positions annually for the statewide debt collection program to improve the collection of debts owed to state agencies and local governments. According to the administration, the additional positions would increase fees collected by DOR by an estimated $4.57 million in 2015-16 and $8.39 million in 2016-17 and would increase revenues deposited into the general fund by an estimated $3.77 million in 2015-16 and $7.44 million in 2016-17.

DOR administers a statewide debt collection program for the purpose of collecting debts owed to state agencies, the Internal Revenue Service (IRS), and municipalities. The Department may enter into agreements with state agencies, the IRS, and municipalities, and charge a fee, for the collection of unpaid fines, forfeitures, costs, fees, surcharges, or restitution payments on behalf of those entities. Fees generated from those agreements are deposited as program revenue in DOR's collection of taxes -- debt collection appropriation. At the end of each fiscal year, the unencumbered balance in that appropriation account lapses to the general fund. According to the administration, the Governor's proposal to add 11.0 positions would increase statewide debt collection activity by an estimated $37 million over the 2015-17 biennium, of which $24 million would retire debts owed to other entities and approximately $13 million would be paid to DOR. Fee revenue generated in excess of the amounts appropriated for the 11.0 positions would transfer to the general fund.

3. COUNTYWIDE ASSESSMENT

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	- 5.00	$0	5.00	$0	0.00

Governor: Decrease expenditures by $389,000 and delete 5.0 positions in 2016-17 in the state and local finance -- general program operations appropriation and increase the state and local finance -- integrated property assessment system technology appropriation by $194,500 annually. The changes in the two appropriations net to $0 over the biennium. In addition, repeal the appropriation for county assessment studies and modify the appropriation for reassessments by deleting obsolete language and references to the statute authorizing expert assessment help. These changes are related to the proposal to replace town, village, and city property tax assessments with a system where property is assessed at the county or regional level or by certain first and second class cities, as of January 1, 2017. Current law provisions regarding expert assessment help would be repealed, including DOR's role in certifying expert appraisers.

The reductions in expenditure authority and positions reflect a workload reduction related to the equalization of property values. Current law allows municipal assessors to assess taxable property below full market value, so long as all property in the municipality is assessed at the same percentage of full market value. Each August 15, DOR certifies an equalized value for each municipality in the state reflecting the full market value of property in the municipality. Equalized values are used to apportion taxes and aids so that an equitable distribution occurs. The proposal would require all assessments to be at full market value, resulting in efficiencies in DOR's equalization procedures. However, DOR would have to modify and upgrade its computer system to integrate the values produced by county and regional assessment systems, resulting in the proposed expenditure increase. The proposal is described in detail in an entry with the same title under "Shared Revenue and Property Tax Relief -- Property Taxation."

Joint Finance: Delete provision as a non-fiscal policy item.

4. MODIFICATIONS TO THE TAX REFUND INTERCEPT PROGRAM

Governor/Joint Finance: Specify that no person has any right to, or interest in, any overpayment, refundable credit, or refund, including any interest allowed, until setoff against debts owed to states, localities, the IRS, and tribes have been satisfied. These provisions would first apply to taxable years beginning on January 1 of the year in which the bill takes effect, except that if the bill were to take effect after July 31, these provisions would first apply to taxable years beginning on January 1 of the year following the effective date of the bill.

Under current law, DOR must setoff from tax refunds, overpayments, or refundable credits any debt or other amount owed to the Department first, regardless of the origin, amount, nature, or date of the debt. If after the setoff there remains a refund in excess of $10, DOR must setoff the remaining funds against certified debts of other entities in the following order: (a) child support, family support, maintenance, or associated fees certified by the Department of Children and Families (DCF); (b) debts owed to a state agency, the courts, the Legislature, or an authority that are collected pursuant to an agreement; (c) debt owed to local units of government collected pursuant to an agreement; (d) debt, other than child support, certified by DCF; (f) child support or spousal support obligations submitted by an agency of another state; (g) debt certified by a Wisconsin county or municipality; (h) federal tax obligations collected pursuant to an agreement with the IRS; (i) tribal obligations collected pursuant to an agreement; and (j) tax and nontax obligations of other states or local governmental units of those states collected pursuant to an agreement.

According to the administration, the Governor's proposal would maintain the current law hierarchy for the order in which payments are made to setoff debts. The IRS has indicated that Wisconsin law does not clearly state that the taxpayer does not have a property right to an overpayment, refundable credit, or refund prior to paying debts owed to the state, state agencies, localities, or tribes. As a result, the IRS has interpreted debts owed to the U.S. Department of the Treasury to take precedence over state debts under current law. Absent the recommended law change, the administration states that the IRS would assert that the setoff order would be: (a) delinquent Wisconsin income tax debt, but not sales tax, withholding payments, or other debt owed to DOR; (b) judgments for child support payments certified to DCF, but not family support or maintenance payments; (c) judicially imposed restitution obligations; and (d) IRS income tax debt. After these payments were made, any remaining refund would be subject to the setoff order provided under current state law. In addition, DOR states that the Department would incur at least $320,000 of programming costs and staff time to test the programming changes, notify agency partners, and update print and online publications if the Governor's provisions are not adopted.

5. THIRD-PARTY AND INTERNET AUCTIONS OF DELINQUENT TAXPAYER PROPERTY

Governor/Joint Finance: In executing a warrant issued by the clerk of circuit court to collect income or franchise taxes, permit an agent of DOR, or a third-party engaged by the agent, to conduct an execution sale of personal property in any county of the state. Specify that the

agent or third-party entity engaged by the agent could sell the personal property in any manner DOR believes will bring the highest net bid or price, including Internet-based auctions or sales. Require the cost of conducting each auction or sale to be reimbursed to DOR out of the proceeds of the sale. Specify that under laws governing the Notice of Sale of Realty; Manner; Adjournment, an agent of DOR or a third-party entity engaged by that agent, is not required to make a sale at auction between the hours of 9 a.m. and 5 p.m. and is not required to ensure that the property is sold in view of those attending the sale. These provisions would first apply to a warrant that is issued on the bill's effective date.

Under current law, when DOR files a warrant with the clerk of circuit court for delinquent income or franchise taxes, the clerk of circuit court must enter a warrant against the taxpayer for payment to the Department. A like warrant can be issued to any agent of DOR authorized to collect income or franchise taxes, and in the execution thereof and collection of those taxes, the agent has the powers of the county sheriff but is not entitled to collect from the taxpayer any fee or charge for the execution of such warrant in excess of actual expenses paid in the performance of his or her duty. When a warrant is issued to such agent, he or she may proceed in any county of the state designated by the warrant in the same manner as provided to a sheriff of the respective county. The Governor's proposal would create an exception to this provision and specify that the agent could: (a) designate a third-party agent to collect such delinquent taxes; and (b) hold the sale in any county in the state in the manner DOR would believe bring the highest net bid or price, including sales over the Internet. The administration does not anticipate that this provision would result in a significant increase in state revenue.

6. DEBT COLLECTION AGREEMENTS WITH COUNTY BOARDS

Governor: Provide that a county board may enter into a written agreement with DOR to have the Department collect any amount owed to the county that is more than 90 days past due. Require DOR to charge each debtor, whose debt is subject to collection by the Department, a collection fee (rather than administrative expenses) that would be credited to DOR's collection of taxes -- debt collection appropriation.

Under current law, a county board may adopt a resolution authorizing the clerk of circuit court to contract with a debt collector for the collection of unpaid fines and forfeitures. Under the bill, a county board would explicitly be allowed to enter into a written agreement with DOR to collect revenues owed to the county in the same manner as a state agency under current law. According to the Legislative Reference Bureau, current law authorizes DOR to enter into debt collection agreements with the courts and local units of government, including a county board. However, DOR reports that certain circuit courts view the Department as a "debt collector" under the Wisconsin Consumer Act, which prohibits DOR from collecting a surcharge above the amount of debt owed unless otherwise authorized under state law. In addition, the administration indicates that changing the current law reference that DOR charges an "administrative expense" to a "collection fee" is intended to preempt future challenges that, because the Department lapses revenues to the general fund that are in excess of the amount deposited into appropriation, a court may require the amount charged by the Department to be reduced to more accurately reflect DOR's administrative expenses.

Joint Finance: Adopt the provision recommended by the Governor. In addition, specify that current law references to "fines and forfeitures" for purposes of clerk of circuit court debt collection would refer instead to "debt." Provide county boards the authority to adopt a resolution authorizing the clerk of circuit court to contract with DOR for the collection of unpaid debt. Specify that for any contract for debt collection entered into with DOR, the clerk of circuit court would be required to provide DOR the authority to charge a collection fee related to those debts.

7. MINING CONSTRUCTION FEE [LFB Paper 562]

Joint Finance: Delete the reference to the construction fee under the indexing statute to clarify that the construction fee and construction period payment are not subject to indexing under the metalliferous mining tax statutes. Current law is ambiguous as to whether the construction fee is indexed for inflation. This provision would clarify that the fee and construction period payment made to eligible local units of government is $100,000 per eligible recipient, rather than $221,300 in 2014-15 per eligible recipient if the fee were subject to indexing in accordance with annual changes in the gross national product deflator.

Lottery Administration

1. LOTTERY SALES PROJECTIONS

Governor/Joint Finance: Project sales of $585.8 million in 2015-16 and 2016-17. Projected lottery sales provide the basis for estimating the lottery and gaming property tax credit in the next biennium. In addition, the projected sales directly affect appropriations for retailer compensation and lottery vendor fees. The following table shows these projections, as well as 2013-14 actual lottery sales and the 2014-15 estimated sales projected in October, 2014, for the purpose of certifying the amount available for the 2014(15) lottery property tax credit. The Governor's 2015-17 projected sales are based on sales models utilized by DOR to estimate both lotto (on-line) and instant ticket games.

Lottery Sales Projections
($ in Millions)

Game Type	Actual 2013-14	2014-15	2015-16	Percent Change from 2014-15	2016-17	Percent Change from 2015-16
Scratch	$337.7	$336.2	$336.2	0.0%	$336.2	0.0%
Pull-tab	1.2	1.0	1.0	0.0	1.0	0.0
Lotto	229.9	236.8	248.6	5.0	248.6	0.0
Total	$568.8	$574.0	$585.8	2.1%	$585.8	0.0%

2. SUM SUFFICIENT APPROPRIATIONS FOR RETAILER COMPENSATION AND VENDOR FEES

SEG	$10,975,600

Governor/Joint Finance: Provide $5,487,800 annually to reestimate lottery sum sufficient appropriations for retailer compensation and vendor fees, as follows:

Retailer Compensation. Provide an increase of $3,984,700 annually to adjust base-level funding for retailer compensation, including payments to retailers under the retailer performance program, to reflect projected lottery sales in the 2015-17 biennium.

Basic retailer compensation rates under current law are 5.5% for lotto ticket sales and 6.25% for instant ticket sales. In addition, the retailer performance program provides an amount of up to 1% of for-profit sales as incentive payments to retailers (estimated at $5.8 million in 2015-16 and 2016-17, under the bill). Base-level funding of $36,826,000, established under 2013 Wisconsin Act 20, was based on estimated lottery sales of $526.6 million in 2014-15. The Department's lottery sales projections of $585.8 million in 2015-16 and 2016-17 result in the increases to retailer compensation funding.

Vendor Fees. Provide an increase of $1,503,100 annually to adjust base-level funding for vendor fees to reflect projected lottery sales in the 2015-17 biennium. Base-level funding for vendor fees is $13,376,600.

Vendor fees are paid under a major procurement contract for the provision of data processing services relating to both lotto and instant lottery games. The fees are calculated on the basis of a percentage of total ticket sales. Under the bill, vendor fees would total 2.5% of lottery ticket sales in both 2015-16 and 2016-17.

3. LOTTERY FUND CONDITION STATEMENT [LFB Paper 565]

Governor: The total revenue available for tax relief, minus a statutory reserve (2% of gross revenue) and the amount appropriated for the lottery and gaming credit late applications payments, determines the amount available for the lottery and gaming tax credit. The following fund condition statement provides information on operating revenues, appropriated amounts for expenditures, estimates of interest earnings and gaming-related revenue, and the amounts available for tax relief credits under the bill. The bill would appropriate $161,125,600 in 2015-16 and $162,893,200 in 2016-17 for the lottery and gaming tax credit.

Joint Finance: Modify the lottery fund condition statement and reestimate the lottery and gaming credit by $1,657,200 SEG in 2015-16 and -$1,361,800 SEG in 2016-17 to reflect the following changes: (a) an increase in the 2015-16 opening balance of $2,593,100 based on an estimated increase in prize expenses of $912,800 in 2014-15 and lower than estimated total payments for the 2014-15 lottery and gaming credit paid in March, 2015 (decrease of $3,505,900); (b) an increase in estimated prize expenses of $912,800 annually over the 2015-17 biennium; and (c) a decrease in estimated interest earnings of $23,100 in 2015-16 and $449,000 in 2016-17.

2015-17 Lottery Fund Condition Statement
Joint Finance

	2015-16	2016-17
Fiscal Year Opening Balance	$14,074,200	$11,718,200
Operating Revenues		
Ticket Sales	$585,814,800	$585,814,800
Retailer Fees and Miscellaneous	95,000	64,300
Gross Revenues	$585,909,800	$585,879,100
Expenditures		
Prizes	$347,688,400	$347,688,400
Retailer Compensation	40,770,500	40,770,500
Vendor Payments	14,879,700	14,879,700
General Program Operations	21,900,600	21,915,100
Appropriation to DOJ	389,500	389,500
Appropriation to DOR	285,800	285,800
Program Reserves	224,400	439,600
Total Expenditures	$426,138,900	$426,368,600
Net Proceeds	$159,770,900	$159,510,500
Interest Earnings	$779,700	$2,144,100
Gaming-Related Revenue	$43,300	$43,300
Total Available for Tax Relief*	$174,668,100	$173,416,100
Appropriations for Tax Relief		
Lottery and Gaming Credit	$162,782,800	$161,531,400
Late Lottery and Gaming Credit Applications	167,100	167,100
Total Appropriations for Tax Relief	$162,949,900	$161,698,500
Gross Closing Balance	$11,718,200	$11,717,600
Reserve (2% of Gross Revenues)	$11,718,200	$11,717,600
Net Closing Balance	$0	$0

*Opening balance, net proceeds, interest earnings, and gaming-related revenue.

4. EMPLOYMENT OF TERMINATED LOTTERY DIVISION EMPLOYEES

Joint Finance: Specify that an employee of the Lottery Division may be employed by a vendor after the date of the employee's termination if the individual's employment is terminated due to DOR having entered into a contract with a vendor to perform services that were previously performed by employees of the Lottery Division. Specify that such an employee may discuss future employment with a vendor who is attempting to obtain a major procurement contract relating to the lottery only if the employee has prior written consent of the administrator of the lottery. Further, specify that the provision for terminated employees would not apply to the division administrator, deputy administrator, or bureau directors.

Under current law, no employee of the Lottery Division may have a direct or indirect interest in or be employed by any vendor while serving as an employee in the Lottery Division for two years following the person's termination of service.

SAFETY AND PROFESSIONAL SERVICES

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$4,827,000	$0	$0	$0	0.0%	- $4,827,000	- 100.0%
FED	1,591,600	363,800	959,600	595,800	163.%	- 632,000	- 39.7
PR	97,379,000	24,181,000	101,575,600	77,394,600	320.1	4,196,600	4.3
TOTAL	$103,797,600	$24,544,800	$102,535,200	$77,990,400	317.7%	- $1,262,400	- 1.2%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	1.00	0.00	0.00	0.00	- 1.00
FED	5.90	0.00	1.70	1.70	- 4.20
PR	255.70	0.00	245.44	245.44	- 10.26
TOTAL	262.60	0.00	247.14	247.14	- 15.46

Budget Change Items

Agencywide Provisions

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 570]

GPR	- $9,000
FED	- 135,600
PR	- 1,221,800
Total	- $1,366,400

Governor/Joint Finance: Decrease funding by $693,600 (-$4,500 GPR, -$67,800 FED, and -$621,300 PR) in 2015-16, and by $672,800 (-$4,500 GPR, -$67,800 FED, and -$600,500 PR) in 2016-17 to reflect the following standard budget adjustments: (a) turnover reduction (-$344,200 PR annually); (b) removal of noncontinuing elements (-$14,900 FED and -$843,900 PR annually); (c) full funding of continuing positions (-$4,500 GPR, -$31,800 FED, and $868,200 PR annually); (d) lease and directed move costs (-$21,100 FED and -$301,400 PR in 2015-16, and -$21,100 FED and -$280,600 PR in 2016-17); and (e) minor transfers within appropriations, including converting 1.0 classified to unclassified position in the Division of Industry Services, which the

administration indicates was done in error [no modification was adopted by Joint Finance].

2. LAPSE REQUIREMENT

Governor: Specify that the 2013 Act 145 requirement that the Department of Safety and Professional Services (DSPS) lapse $6,232,000 and the Department of Financial Institutions (DFI) lapse $2,434,400 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. However, provide that the amounts to be lapsed by DSPS and DFI would be combined ($8,666,400) as an amount to be lapsed from the Department of Financial Institutions and Professional Standards [See "Budget Management and Compensation Reserves."]

Joint Finance: Eliminate the required lapse of $8,666,400 in each year of the 2015-17 biennium from the Department of Financial Institutions and Professional Standards. Instead, require that DSPS lapse $6,232,000 PR in 2015-16, and $6,232,000 PR in 2016-17.

3. FOUR-YEAR CREDENTIAL PERIODS AND INSTALLMENT PAYMENTS [LFB Paper 571]

Governor: Increase the period for which most professional credentials issued by DSPS are valid, from two to four years, and authorize DSPS to promulgate rules allowing individuals to pay professional credential fees in installments.

Increase Licensing Period to Four Years. Increase the period that most professional credentials issued by DSPS are valid, from two years to four years. Currently, most professions regulated by DSPS must renew their professional license, certification, or registration every two years, according to dates specified in statute. For example, all chiropractors must renew their licenses by December 15 of each even-numbered year. This change would reduce the frequency of renewals from two years to four years, with renewals still occurring on the date specified in statute. Individuals applying for credentials would have staggered renewal years, with individuals born in even-numbered years applying two years apart from those born in odd-numbered years. This proposal does not apply to certain training or temporary credentials, which have renewal fees of $10.

Permit DSPS to establish renewal years for credential holders that are not individuals, such as organizations and establishments, and stagger these renewal years as necessary.

Require certain professions with continuing education requirements to furnish proof of completion of the appropriate number of hours of continuing education during each two-year period of the prior four-year licensure period at license renewal.

Require DSPS to establish a system for transitioning individuals from two-year licensing periods to four-year licensing periods, with the change taking effect July 1, 2016. Permit DSPS to phase in implementation of this provision, so that certain groups have one final two-year renewal after July 1, 2016. Individuals or groups renewing credentials for two years will only pay one-half of the fee required of an individual renewing a credential for four years. This

provision does not affect fee levels. The statutes require that fee levels be set through a passive review process each biennium, based on the administrative cost of licensing and regulating professions for the period of licensure. Accordingly, fee levels could be changed during the 2017-19 fee setting process to reflect the longer period of licensure.

These changes would go into effect on July 1, 2016, except for the changes related to mobile dentistry credentialing, which would take effect on July 1, 2016, or on the first day of the third month after the Legislative Reference Bureau receives notice that the Dentistry Examining Board promulgated rules required under a provision in 2013 Wisconsin Act 244, including defining "mobile dentistry program," establishing standards of conduct for operation of a mobile dentistry program, and establishing processes for accessing patient records.

Payment of Credential Fees in Installments. Authorize DSPS to promulgate rules establishing procedures to allow credential holders to pay initial and renewal credential fees in installments. Currently, most professions regulated by DSPS pay an initial fee upon application for a license or credential, and a renewal fee every two years according to a schedule specified in statute. Fees range from $10 to $75 for initial licensure, and $44 to $170 for renewal. This provision would permit DSPS to promulgate rules that permit credential holders to pay these fees in installments.

Joint Finance: Delete provision.

4. CREDENTIAL RENEWAL FEES FOR AUDIOLOGISTS AND SPEECH-LANGUAGE PATHOLOGISTS

GPR-REV	- $21,300
PR-REV	- 213,400

Joint Finance: Set the biennial credential renewal fees for audiologists and speech-language pathologists at $75 for licensure renewals during the 2015-17 biennium. Currently, the license renewal fee for those professions is set at $170 under the biennial DSPS fee proposal, as approved by the Joint Committee on Finance. Reduce estimated fee revenue DSPS collects by $213,400 in 2016-17, and reduce the estimated amount of fee revenue that will be transferred to the general fund by $21,300 in 2016-17.

5. INFORMATION TECHNOLOGY MODERNIZATION

PR	$1,455,000

Governor/Joint Finance: Provide $727,500 in one-time funding in 2015-16 and 2016-17 to maintain support for information technology (IT) improvement projects funded in 2013 Wisconsin Act 20. These projects include software upgrades and replacements, transition to a paperless system for credentialing and other functions, and implementation of a web-based system to allow DSPS staff to access data and file reports from the field. Act 20 provided $744,100 in 2013-14 and $728,900 in 2014-15 in one-time funding to support these projects. The base funding provided for this purpose in Act 20 is deleted as part of the standard budget adjustment that removes one-time funding.

6. PRESCRIPTION DRUG MONITORING PROGRAM

PR	$100,000

Governor: Provide $50,000 annually to increase funding for the prescription drug monitoring program (PDMP). The PDMP was created under 2009 Wisconsin Act 362 to track the prescribing of certain prescription drugs in order to improve patient safety and reduce illegal use of drugs susceptible to abuse. Providers may use the PDMP to review a patient's prescription history prior to prescribing or dispensing a drug. Drugs monitored by the program include certain tranquilizers, stimulants, and pain relievers. The PDMP is currently operated by the Pharmacy Examining Board (PEB). Base funding for the PDMP is $110,000 PR annually.

Modify current statutes as follows: (a) transfer the PDMP from the PEB to the Controlled Substances Board (CSB); (b) increase the membership of the CSB from six to nine members by including as members the chairperson of the Medical Examining Board or his or her designee, the chairperson of the Dentistry Examining Board or his or her designee, and the chairperson of the Board of Nursing or his or her designee; (c) allow the CSB to disclose a record under the PDMP to relevant state and local agencies that indicates suspicious or critically dangerous practices of a pharmacy, pharmacist, practitioner, or patient, and require CSB to define "suspicious or critically dangerous conduct or practices" for the purposes of implementing this provision; and (d) permit the CSB to refer to the appropriate board for discipline, or a law enforcement agency for investigation and prosecution, a pharmacist, pharmacy, or practitioner that fails to comply with the rules of the PDMP, including failure to generate a record required by the program.

Transfer the following from the PEB to the CSB: (a) assets and liabilities related to the PDMP; (b) tangible personal property primarily related to the PDMP; (c) contracts entered into by the PEB related to the PDMP, and the obligations of these contracts; (d) rules and orders related to the PDMP; and (e) any matters pending with the PEB related to the PDMP.

Joint Finance: Modify the bill to include the following: (a) specify that statutory prohibitions on releasing health care records, which only allow for the release of health care records to persons designated in statute, to other individuals with the informed consent of the patient, or to a person authorized by the patient, shall not apply to records generated and disclosed to the CSB relating to the PDMP; (b) specify that, in rules promulgated by the Department relating to records, the rules shall comply with confidentiality statutes, except that the rules shall permit the Board to disclose a record generated by the program to a relevant state board and agency, a relevant agency of another state, or an appropriate law enforcement agency; (c) replace "delivery" with "submittal" under the PDMP statutes; (d) define "administer" under the PDMP statutes as the direct application of a vaccine or a prescribed drug or device, whether by injection, ingestion, or any other means, to the body of a patient or research subject by a practitioner or his or her authorized agent, a patient or research subject at the direction of a practitioner, or a pharmacist; (e) define "board" under the PDMP statutes as the CSB; (f) define "patient" under the PDMP statutes as an individual for whom a monitored prescription drug is prescribed or to whom a monitored prescription drug is dispensed or administered; (g) define "pharmacist" as a person licensed by the PEB or licensed in another state and recognized by this state as a person authorized to engage in the practice of pharmacy in the state in which the person is licensed; (h) define "pharmacy" under the PDMP statutes as a place of practice licensed by the

PEB; and (i) define "prescription order" as an order transmitted orally, electronically, or in writing by a practitioner for a monitored prescription drug for a particular patient.

7. LIMITED-TERM EMPLOYEES

PR	- $191,000

Governor/Joint Finance: Reduce funding by $95,500 annually to reflect the net effect of reallocating base funding for salaries (-$260,000) and fringe benefits (-$115,400) for permanent positions to instead fund salaries ($260,000) and fringe benefits ($19,900) for limited-term employees (LTEs) for the regulation of professionals and industry, safety and buildings functions. DSPS employs LTEs to assist with application processing during peak application periods and permit reviews during peak building seasons. The funding changes in the bill are shown in the table below.

Summary of Annual Funding Changes

	Regulation of Professionals		Industry, Safety and Buildings		
	Operations	Examinations	Operations	Admin. Services	Total
Permanent Positions					
Salaries	-$100,000	-$10,000	-$100,000	-$50,000	-$260,000
Fringe Benefits	-44,400	-4,400	-44,400	-22,200	-115,400
Savings	-$144,400	-$14,400	-$144,400	-$72,200	-$375,400
Limited Term Employees					
Salary	$100,000	$10,000	$100,000	$50,000	$260,000
Fringe Benefits	7,700	700	7,700	3,800	19,900
Costs	$107,700	$10,700	$107,700	$53,800	$279,900
Net Change	-$36,700	-$3,700	-$36,700	-$18,400	-$95,500

8. LONG-TERM VACANCIES [LFB Paper 575]

	Funding	Positions
PR	- $1,143,000	- 9.76
FED	- 496,400	- 4.20
Total	- $1,639,400	- 13.96

Joint Finance: Delete $571,500 PR and $248,200 FED annually with 9.76 PR positions and 4.20 FED positions to eliminate positions in DSPS that have been vacant 12 months or more.

9. ELIMINATE CERTAIN COUNCILS UNDER DSPS

Joint Finance: Eliminate the following councils that are created within DSPS: (a) Automatic Fire Sprinkler System Contractors and Journeyman Council; (b) Crematory Authority Examining Council; (c) Examining Council on Licensed Practical Nurses; (d) Examining Council on Registered Nurses; (e) Multifamily Dwelling Code Council; and (f) Pharmacist Advisory Council. In its 2015-17 biennial budget request, DOA proposed the elimination of these councils, which had not met for at least one year, from September, 2013, to September, 2014.

Under current law, the councils perform the following functions:

a. The Automatic Fire Sprinkler System Contractors and Journeyman Council advises DSPS regarding credentialing of automatic fire sprinkler fitters, contractors, and apprentices. The Council has five members, including a DSPS employee, two licensed journeymen automatic fire sprinkler fitters, and two persons representing licensed automatic fire sprinkler contractors.

b. The Crematory Authority Examining Council advises DSPS on matters relating to crematory authorities. The Council has seven voting members, including three licensed funeral directors who operate crematories, three representatives of cemetery authorities who operate crematories, and one public member.

c. The Examining Council on Licensed Practical Nurses prepares written questions and prescribes rules for the examination of licensed practical nurses to the Board of Nursing. The Council's membership includes one registered nurse, three licensed practical nurses, and one registered nurse who is a faculty member of an accredited school for practical nurses.

d. The Examining Council on Registered Nurses prepares written questions and prescribes rules for nursing examinations to the Board of Nursing. The Council's membership consists of four registered nurses that have at least three years of experience in nursing.

e. The Multifamily Dwelling Code Council advises DSPS regarding the multifamily dwelling code, including reviewing and recommending rules for promulgation by the Department. The Council consists of fourteen members representing labor organizations for the skilled building trades, municipal inspectors, fire services, building contractors and developers, and manufacturers of materials or supplies, architects, engineers, designers, and the public.

f. The Pharmacist Advisory Council makes recommendations regarding the promulgation, amendment, or repeal of rules to the Pharmacy Examining Board. The Council consists of two pharmacists, one physician, and one licensed nurse.

In addition, specify that DSPS must include a proposal to eliminate inactive boards, councils, or commissions with the submission of its biennial agency budget request. Under current law, DOA proposes the elimination of inactive boards, councils, or commissions with the submission of its biennial agency budget request. [See "Administration -- General Agency Provisions."]

10. PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM GRANT PROGRAM [LFB Paper 485]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $4,818,000	- 1.00	$0	0.00	- $4,818,000	- 1.00
PR	0	0.00	2,485,000	0.00	2,485,000	0.00
Total	- $4,818,000	- 1.00	$2,485,000	0.00	- $2,333,000	- 1.00

Governor: Repeal the private onsite wastewater treatment system replacement or rehabilitation grant program, and delete $2,409,000 GPR annually, including: (a) $2,338,600 for financial assistance and $70,400 with 1.0 position. The program, created in 1978 and also referred to as the Wisconsin Fund, provides financial assistance to owners of a principal residence and small commercial establishments who meet certain income and eligibility criteria, to pay for a portion of the cost of repairing or replacing failing private onsite wastewater treatment systems (POWTS). A POWTS is a sewage treatment and disposal system serving a single structure with a septic tank and soil absorption field located on the same parcel as the structure. The maximum household income is $45,000. The maximum grant is $7,000, or approximately 60% of the cost of replacement or rehabilitation (as determined by DSPS grant funding tables in administrative rules), whichever is less. Counties apply to DSPS on behalf of homeowners and small commercial establishments because they are responsible for the regulation of POWTS installations. In 2013-14, DSPS awarded $2,346,800 to 638 homeowners and small commercial establishments, and in 2014-15, the Department awarded $2,233,200 to 502 recipients. DSPS is required to prorate grants in years in which eligible applications exceed available funds.

In addition, repeal an associated no-interest loan program under the environmental improvement fund. Created in 1999 Act 9, the program authorizes counties to apply for a loan in a year in which DSPS must prorate funds under the POWTS grant program. Counties may only use the loan to increase the grant amount to eligible persons to the amount the persons would have been eligible to receive if DSPS had not had to prorate grants. No counties have applied for loans under the program.

Joint Finance: Provide $1,645,000 PR in 2015-16 and $840,000 PR beginning in 2016-17 to restore the POWTS replacement or rehabilitation grant program in DSPS on an ongoing basis. Provide the program revenue for the program by transferring funds from the safety and buildings (Division of Industry Services) operations appropriation, which receives PR from sanitary permit and private sewage system plan review fees, and fees received from other building permit, inspection and credentialing activities. The 2014-15 ending balance of the existing GPR POWTS grant appropriation (estimated at $230,000) would be transferred to the renumbered PR appropriation in 2015-16. Restore the associated loan program within the environmental improvement fund.

11. REPEAL REQUIREMENT TO CONTRACT FOR EDUCATION REGARDING CONSTRUCTION STANDARDS

Governor/Joint Finance: Repeal the statutory requirements that DSPS: (a) contract with a private organization to provide education to builders of dwellings about construction standards and inspection requirements; (b) contract with a private organization to provide education regarding business practices to builders of dwellings, and allocate $100,000 annually for the contract; (c) contact with a private organization to provide education to consumers about the home building process, and allocate at least $600,000 annually for the contract; and (d) enter into any such contracts with an organization that is described in section 501 (c)(6) of the Internal Revenue Code and is exempt from federal income tax. Any contracts would be paid from the

industry services (safety and buildings) program revenue operations appropriation, which receives revenue from several fees related to building plan review and permits. The Department has not entered into any contracts under the provision since 2007-08.

12. REPEAL OBSOLETE APPROPRIATIONS

Governor/Joint Finance: Repeal two obsolete appropriations in the program for regulation of industry, safety and buildings, including for: (a) a grant for construction career academy grants to provide high school students with training in construction-related careers (no funds were spent); and (b) Crex Meadows Youth conservation camp ($80,000 was awarded in 2007-08).

13. FIRE DUES REESTIMATE [LFB Paper 572]

PR	$2,760,000

Joint Finance: Provide $1,190,000 in 2015-16 and $1,570,000 in 2016-17 to reestimate the fire dues distribution payments to local governments that maintain eligible fire departments as $17,530,000 in 2015-16 and $17,910,000 in 2016-17.

14. AUTOMATIC FIRE SPRINKLERS IN ONE- AND TWO-FAMILY DWELLINGS

Joint Finance: Prohibit DSPS from promulgating or enforcing an administrative rule that requires that any one- or two-family dwelling contain an automatic fire sprinkler system, as defined in s. 145.01(2) of the statutes. (The current Wisconsin one- and two-family dwelling code does not require fire sprinklers in one- or two-family homes.)

15. RELIGIOUS WAIVERS TO CERTAIN ONE- AND TWO-FAMILY BUILDING CODE PROVISIONS

Joint Finance: Allow members of certain religious sects to request and receive, a temporary waiver from the requirements in the one- and two-family dwelling code (also known as the Uniform Dwelling Code or UDC) to install smoke detectors and carbon monoxide detectors, and from the requirement that dwellings meet certain electrical wiring and plumbing standards.

a. Require an applicant for a waiver from the requirement to comply with a dwelling construction standard to submit a signed application form requesting the waiver to the political subdivision that is responsible for issuing building permits for one- and two-family dwellings (dwellings). This would require submittal of an application to the city, village, town, or county delegated by DSPS to administer the one- and two-family dwelling code in the jurisdiction. If DSPS issues building permits for dwellings in a political subdivision, the submittal would be to DSPS.

b. Define "dwelling construction standard" as a requirement imposed under s. 101.645 (3) or s. 101.647 (3) of the statutes (requirements for smoke detectors and carbon monoxide detectors in one- and two-family dwellings) or a requirement imposed under any provision of

Chapter 101 (buildings) or Chapter 145 (plumbing and fire protection) or under any ordinance of a political subdivision relating to standards for electrical wiring or plumbing in one- and two-family dwellings.

c. Specify that a person who is issued a waiver from a requirement to comply with a dwelling construction standard is not required to comply with that standard.

d. Require DSPS to prescribe and furnish a waiver application form to each political subdivision that issues building permits for dwellings. Require that the form be written in simple and plain language, and list, in a check-off format, each of the following statements: (1) the person's religious beliefs and the established tenets or teachings of the religious sect of which the person is a member conflict with one or more dwelling construction standards; (2) the dwelling for which the waiver is requested will be used solely as a residence for the person or members of the person's household; (3) the waiver is requested based upon the long-established tenets and teachings of the religious sect of which the person is a member and the religious sect did not establish these tenets and teachings solely to avoid compliance with dwelling construction standards; and (4) the person agrees to modify the dwelling for which the waiver is requested to comply with dwelling construction standards if the person ceases to adhere to the tenets or teachings of the religious sect of which the person is a member and upon which the waiver is requested.

e. Require that the application shall include an attachment containing the address or other identifying information that describes the location of the dwelling and specifying the dwelling construction standard from which the person seeks a compliance waiver.

f. Require the political subdivision that issues building permits and that receives a completed and signed waiver application form to promptly issue a waiver to the applicant if all of the following apply: (1) the political subdivision has no reason to believe that the statements provided by the applicant on the waiver application form are untrue; (2) the political subdivision is satisfied that the waiver will not result in an unreasonable risk of harm to public health or safety; and (3) the waiver specifies those dwelling construction standards with which the applicant is not required to comply.

g. Specify that a political subdivision that finds that an applicant is not entitled to receive a waiver under the provision shall promptly notify DSPS of its finding together with a description of the political subdivision's basis for its finding. Require that, if DSPS agrees with the political subdivision's finding, the Department would be required to deny the waiver and notify the applicant that the waiver is denied. Require that, if DSPS disagrees with the political subdivision's finding, the Department would be required to issue the waiver to the applicant and notify the political subdivision that the Department has issued the waiver. If a political subdivision receives a notice from DSPS that the Department has issued the waiver, the political subdivision would be required to waive the applicant's requirement to comply with the dwelling construction standards specified in the waiver.

h. Specify that a person is entitled to obtain a waiver before, during, or after construction of a one- or two-family dwelling.

i. Prohibit a municipality and DSPS from charging a person a fee to apply for or receive a waiver.

j. Specify that a waiver issued under the provision is invalid if the political subdivision that issued the waiver or DSPS find that any of the following applies: (1) a statement on the waiver form submitted by the person to whom the waiver was issued is untrue; (2) the basis upon which the waiver was issued no longer applies; and (3) the dwelling is occupied by a person who does not hold the religious beliefs that form the basis for issuing the waiver.

k. Prohibit DSPS or a political subdivision from taking any enforcement action, or from proceeding with any enforcement action initiated on or before the effective date of the biennial budget act, against a person with respect to a dwelling construction standard if the person has a valid waiver issued under the provision that waives compliance with the requirement.

L. Specify that a builder, designer, or owner is not required to comply with the requirements of the one- and two-family dwelling code for which a waiver is issued.

16. SEPTIC AND WELL PUMP INSTALLER ELECTRICIAN LICENSE EXEMPTION

Joint Finance: Create an exemption from the DSPS electrician licensing statutes under s. 101.862 of the statutes. Provide that the following persons would not have to be a licensed electrician: (a) a person engaged in installing, repairing, or maintaining a private on-site wastewater treatment system, if the activity only involves installing or modifying a conductor going from the system's junction, pull, or device box to the nearest disconnecting point and the conductor is buried with the system; and (b) a person engaged in installing, repairing, or maintaining a pump for a well, if the activity only involves installing or modifying a conductor going from the pump's junction, pull, or device box to the nearest disconnecting point and the conductor is buried with the pump.

17. LOCAL ELECTRICAL AND MULTIFAMILY SPRINKLER CODE ORDINANCES.

Require that if a city, village or town adopts an electrical code or ordinance regarding electrical wiring and inspection of electrical wiring under s. 101.86 of the statutes, the code or ordinance must strictly conform to administrative rules promulgated by DSPS under s. 101.82 (1) (state electrical wiring code). [Currently, the electrical wiring provisions in Chapter 101 allow municipalities to enact a local electric wiring ordinance if it is not less restrictive than state requirements.]

Further, amend s. 101.02 (7r) to clarify that the provisions of s. 101.02 (7m) and s. 101.975 (3) allow a city, village or town to enforce a preexisting stricter automatic sprinkler ordinance, if the ordinance: (1) is for multifamily dwellings containing 20 or less attached dwellings; (2) was in effect on January 1, 1992, and remained in effect on May 1, 1992; (3) does not conform to the multifamily dwelling code subchapter of Chapter 101 and s. 101.02 (7m) or is contrary to an order

of DSPS under the Department's general regulatory provisions; and (4) is stricter than the multifamily dwelling code or the contrary provision of the DSPS order. [Currently, s. 101.02 (7m) specifies that no city, village or town may make or enforce a multifamily dwelling ordinance that does not conform to the state multifamily dwelling code, unless the local ordinance has a preexisting stricter sprinkler ordinance. Section 101.02 (7r) specifies that no city, village or town may enact or enforce an ordinance that establishes minimum standards for constructing, altering, or adding to public buildings or buildings that are places of employment (commercial buildings), unless the ordinance conforms to applicable state rules, unless the ordinance met certain requirements for preexisting ordinances.]

Program Transfers

1. TRANSFER FUNCTIONS TO DFIPS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	- $1,092,200	- 5.90	$1,092,200	5.90	$0	0.00
PR	- 72,182,000	- 226.42	72,182,000	226.42	0	0.00
Total	- $73,274,200	- 232.32	$73,274,200	232.32	$0	0.00

Governor: Delete $24,547,300 (-$364,200 FED and -$24,183,100 PR) in 2015-16 and $48,726,900 (-$728,000 FED and -$47,998,900 PR) in 2016-17, and delete 232.32 positions (-5.9 FED and -226.42 PR positions), beginning in 2015-16, to reflect the elimination of DSPS. Transfer all DSPS functions, funding, and positions to the Department of Financial Institutions and Professional Standards (DFIPS).

Transfer of Professional Credentialing Boards and Councils. Transfer the following statutorily designated boards and councils from DSPS to DFIPS: (a) Accounting Examining Board; (b) Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors Examining Board; (c) Auctioneer Board; (d) Cemetery Board; (e) Cosmetology Examining Board; (f) Chiropractic Examining Board; (g) Dentistry Examining Board; (h) Funeral Directors Examining Board; (i) Geologists, Hydrologists and Soil Scientists Examining Board; (j) Hearing and Speech Examining Board; (k) Marriage and Family Therapy, Professional Counseling, and Social Work Examining Board; (l) Medical Examining Board, including the Council on Anesthesiologist Assistants, the Athletic Trainers Affiliated Credentialing Board, the Dietitians Affiliated Credentialing Board, the Occupational Therapists Affiliated Credentialing Board, the Podiatrists Affiliated Credentialing Board, the Massage Therapy and Bodywork Therapy Affiliated Credentialing Board, the Council on Physician Assistants, the Perfusionists Examining Council, and the Respiratory Care Practitioners Examining Council; (m) Board of Nursing, including the Examining Council on Registered Nurses and the Examining Council on Licensed Practical Nurses; (n) Nursing Home Administrators Examining Board; (o) Optometry

Examining Board; (p) Pharmacy Examining Board, including the Pharmacist Advisory Council; (q) Physical Therapy Examining Board; (r) Psychology Examining Board; (s) Radiography Examining Board; (t) Real Estate Appraisers Board; (u) Council on Real Estate Curriculum and Examinations; (v) Crematory Authority Council; (w) Sign Language Interpreter Council; and (x) Controlled Substances Board.

Transfer of Safety and Buildings Boards and Councils. Transfer the following statutorily designated boards and councils from DSPS to DFIPS: (a) Dwelling Code Council; (b) Contractor Certification Council; (c) Multifamily Dwelling Code Council; (d) Manufactured Housing Code Council; (e) Conveyance Safety Code Council; (f) Plumbers Council; (g) Automatic Fire Sprinkler System Contractors and Journeymen Council; and (h) Building Code Council.

Classified Bureau Directors. Repeal the classified protection status of the incumbent bureau directors who transferred from the former Department of Commerce to DSPS under the 2011-13 budget. 2011 Act 32 specified that if certain incumbent classified bureau directors in the Commerce Safety and Buildings Division were transferred to unclassified bureau director positions in DSPS, the former Commerce incumbents would retain their classified status and employee rights. DSPS indicates that no formerly classified incumbents remain in those positions.

Transfer of Program Assets, Liabilities, Contracts, and Pending Matters. Provide that on January 1, 2016, or the day after publication of the bill, whichever is later, the assets and liabilities, positions and incumbent employees, tangible personal property, pending matters, contracts, and rules and orders primarily related to the programs and functions of DSPS would be transferred to DFIPS. Transferred employees would have the same rights and the same status in the new agency as they enjoyed in the existing agencies immediately before the transfer, and no transferred employee who has attained permanent status in class would be required to serve a probationary period.

Joint Finance: Delete provision, maintaining DSPS as a separate agency.

However, include several technical corrections in Chapters 71 and 100 of the statutes to refer to the Department of Agriculture, Trade and Consumer Protection (DATCP) instead of DSPS. This corrects references missed in the 2013-15 budget act transfer of responsibilities for petroleum tank inspection from DSPS to DATCP.

2. TRANSFER PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM REGULATION TO DNR [LFB Paper 484]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $1,158,200	- 9.00	$1,158,200	9.00	$0	0.00
PR-REV	- $2,443,000		$2,443,000		$0	

Governor: Delete $386,100 in 2015-16 and $772,100 in 2016-17 with 9.0 positions and transfer regulation of private onsite wastewater treatment systems (POWTS) from DSPS to the Department of Natural Resources (DNR) effective January 1, 2016. POWTS means a sewage treatment and disposal system serving a single structure with a septic tank and soil absorption field located on the same parcel as the structure. The transferred positions would include 1.0 section chief, 7.0 private sewage system plan reviewers, and 1.0 engineering consultant for plumbing product review. [See the entry under "Natural Resources – Environmental Quality" for the provision of funding and positions to DNR as environmental management account SEG.]

The administration indicates it intended to transfer program revenue currently received by DSPS for sanitary permits and private sewage system plan reviews to DNR to be deposited in the segregated environmental management account of the environmental fund. The bill would need to be amended to accomplish the transfer of revenue. DSPS collected $1,686,600 from the two fee types in 2013-14, including $803,800 for sanitary permits and $883,800 for private sewage system plan review. The administration estimates that revenue from the two fee types would total $1,669,000 in each of 2015-16 and 2016-17, including $786,000 for sanitary permits and $843,000 for plan review. This would result in a decrease of PR revenue in DSPS of $2,443,000, including $814,000 in 2015-16 and $1,629,000 in 2016-17 (and a corresponding SEG revenue increase in DNR).

Responsibilities. DSPS is currently responsible for the regulation of POWTS under Chapter 145 of the statutes and administrative rules included in Chapter SPS 383, and sections SPS 302.65 and SPS 302.67. Responsibilities include to: (a) issue sanitary permits authorizing the installation of a POWTS; (b) promulgate and administer rules for sanitary permits and private sewage system plan review; (c) review the POWTS programs administered by counties responsible for regulation, to determine compliance with state statutes and rules; (d) conduct training for local government officials responsible for POWTS regulation; (e) establish a maintenance program to be administered by local governments responsible for POWTS regulation; (f) promulgate and administer rules relating to lot size and lot elevation necessary for proper sanitary conditions in the development and maintenance of subdivisions not served by a public sewer, where provision for such service has not been made; and (g) review and evaluate existing POWTS that do not comply with siting or design standards, including to act on petitions for a variance from the standards.

Transfer of Program Assets and Matters. Provide that the DSPS assets, liabilities, tangible personal property, records, pending matters, contracts, administrative rules, and orders related to the regulation of private on-site wastewater treatment systems under Chapter 145 of the statutes, as determined by the Secretary of DOA, would become the responsibility of DNR on January 1, 2016. Any transferred rules would remain in effect until their specified expiration dates or until amended or repealed by DNR.

Provide that all positions and all incumbent employees holding those positions in DSPS that relate to the regulation of POWTS under Chapter 145 of the statutes, as determined by the Secretary of DOA, are transferred to DNR on January 1, 2016. Employees transferred under the provision would have the same rights and status related to state employment relations under Chapters 111 and 230 of the statutes. Transferred employees who have attained permanent

status would not be required to serve a probationary period.

Joint Finance: Delete provision. This would maintain POWTS regulation in DSPS.

3. TRANSFER VETERINARY EXAMINING BOARD TO THE DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION [LFB Paper 576]

Governor: Transfer the Veterinary Examining Board (VEB) from DSPS to the Department of Agriculture, Trade and Consumer Protection (DATCP). This board is responsible for regulating veterinarians and veterinary technicians by promulgating and enforcing rules and regulations for credential holders. Renumber current provisions related to the operation of the VEB from Chapter 453 to Chapter 89 of the statutes.

Licensing Fee Revenue. Authorize DATCP to promulgate rules regarding the fee levels for initial and renewal licenses for veterinarians and veterinary technicians based on administrative and enforcement costs of regulating these professions. Create a PR appropriation in DATCP for the licensing, rule-making, and regulatory functions of the VEB, funded from revenue from these fees. Authorize DATCP to expend all moneys credited to the appropriation for these purposes. Transfer any unencumbered balance in the DSPS general program operations appropriation that is primarily related to the operations of the VEB, as determined by the Secretary of the Department of Administration (DOA), to the new DATCP appropriation on the bill's general effective date.

Violations of Credentialing Requirements. Authorize DATCP to conduct investigations, hold hearings, and make findings as to whether a person has engaged in a practice or used a title without a required credential. Authorize DATCP to issue a special order enjoining a person from continuing the practice or use of the title if, after holding a public hearing, DATCP determines that a person has engaged in a practice or used a title without a credential required under Chapter 89. In lieu of holding a public hearing, permit DATCP to petition the circuit court for a temporary restraining order or an injunction under Chapter 813 of the statutes. Provide that any person who violates a special order for engaging in a practice without a required credential would be subject to a forfeiture of no more than $10,000 for each offense, with each day of continued violation constituting a separate offense. Provide that the Attorney General or any district attorney could commence an action in the name of the state to recover a forfeiture. Provide that any individual who violates a temporary restraining order or an injunction issued by a court upon a petition may be fined not less than $25 and no more than $5,000 or imprisoned for not more than one year in a county jail, or both.

Transfer of Program Assets, Liabilities, Contracts, and Pending Matters. Provide that, on the bill's general effective date, all assets and liabilities, tangible personal property, contracts, and pending matters relating primarily to the functions of the VEB, as determined by the Secretary of DOA, are transferred to DATCP.

In state fiscal years 2012-13 and 2013-14, there were 329 initial and 3,220 renewal veterinary medicine license applications, and 416 initial and 1,623 renewal veterinary technician license applications. The initial and renewal fees for these credentials were set at $75 and $160,

respectively. The Department of Administration estimates that DSPS would experience a decrease of $780,000 PR over the 2015-17 biennium from fee revenue related to the VEB with a similar increase expected for DATCP.

Joint Finance: Adopt the Governor's recommendations with the following modifications: (a) authorize the elder-adult-at-risk agency to refer alleged cases of abuse by veterinary professionals to DATCP; (b) specify that a court may declare a person incompetent to apply for a veterinarian or veterinary technician license; (c) specify that the VEB is authorized to conduct an investigation to determine whether an applicant for a veterinary or veterinary technician license satisfies the eligibility requirements for the license, including whether the applicant does not have an arrest or conviction record in accordance with state statutes prohibiting discrimination; (d) require a person holding a veterinary or veterinary technician license who is convicted of a felony or misdemeanor anywhere to send a notice of the conviction by first class mail to the VEB within 48 hours after the entry of the judgement of conviction, and require the VEB to determine by rule what information and documentation the person holding the credential shall include with the written notice; (f) specify that the VEB may investigate whether an applicant for or holder of a veterinary or veterinary technician license has been charged with or convicted of a crime; (g) require DATCP to deny an application for an initial or renewal veterinary or veterinary technician license or revoke a license for an individual for whom DATCP has received a declaration of incompetency; and (h) require DATCP to notify affected credential holders of any changes in license fees.

4. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	- 17.00	17.00	0.00

Governor: Delete 17.00 positions from the following appropriations of the Department of Safety and Professional Services, for a shared agency services pilot program under the Department of Administration (DOA): (a) general program operations for professional regulation and administrative services (5.00 positions); (b) administrative services for safety and buildings (11.00 positions); and (c) safety and building operations (1.00 positions). Funding associated with the positions would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

5. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	- 1.78	1.78	0.00

Governor: Require that all information technology services for the Department of Safety and Professional Services (DSPS) be provided by the Department of Administration (DOA). Delete 1.78 positions from the following appropriations of the Department of Safety and Professional Services, for a shared agency services pilot program under the Department of Administration (DOA): (a) general program operations for professional regulation and administrative services (1.0 positions); and (b) general program operations for the regulation of industry, safety, and buildings (0.78 positions). Funding associated with the positions would not be reduced, but rather reallocated to supplies and services to pay information technology services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of DSPS related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred to DOA under the provision.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

6. TRANSFER POSITION TO THE DEPARTMENT OF ADMINISTRATION FOR THE OFFICE OF GOVERNMENT CONTINUITY [LFB Paper 114]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	- 1.00	1.00	0.00

Governor: Transfer 1.0 position from the DSPS appropriation that funds administrative services for the regulation of industry, safety and buildings to the Department of Administration (DOA) for a newly created Office of Government Continuity. Under the bill, the Office would establish and administer a continuity of government program in consultation with the administrator of the Division of Emergency Management in the Department of Military Affairs, to ensure the continuity of state government operations during a disaster. The bill does not specify the type of position to be transferred or whether incumbent employees would be

transferred to DOA. Funding associated with the position would not be reduced, but rather reallocated to supplies and services to pay Office of Continuity charges assessed by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

7. CONSOLIDATE MARKETING SERVICES IN TOURISM

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$0	- 0.50	- $47,600	0.00	- $47,600	- 0.50

Governor: Delete 0.5 positions identified by the administration as being generally related to marketing or communications. The 0.5 position would be deleted from the DSPS general program operations appropriation for professional regulation.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting funding associated with the positions, rather than reallocating funding to supplies and services.

8. TRANSFER REGULATION OF TATTOOING, BODY PIERCING, AND TANNING TO DSPS [LFB Paper 577]

Joint Finance: Transfer the regulatory responsibilities of the Department of Health Services for tattooists and tattoo establishments, body-piercers and body piercing establishments, and tanning facilities to DSPS on January 1, 2016. [See "Health Services -- Public Health and Other Programs."]

SECRETARY OF STATE

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$1,027,000	$536,800	$536,800	$0	0.0%	- $490,200	- 47.7%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
PR	4.00	2.00	2.00	0.00	- 2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$51,700

Governor/Joint Finance: Provide adjustments of $25,000 in 2015-16 and $26,700 in 2016-17 to the Secretary of State's (SOS) program fees appropriation for full funding of continuing position salaries and fringe benefits ($25,700 annually) and full funding of lease and directed moves costs (-$700 in 2015-16 and $1,000 in 2016-17).

2. DELETE POSITIONS [LFB Paper 580]

	Funding	Positions
PR	- $286,200	- 2.00

Governor/Joint Finance: Reduce funding by $143,100 and delete 2.0 positions, annually. Make statutory changes eliminating the SOS's ability to name, and set the salary of, the Assistant Secretary of State. According to the administration, the two positions that would be deleted are the Assistant Secretary of State and an Office Operations Associate.

Under current law, the SOS may appoint an assistant, who may perform and execute any of the Secretary's duties, except as a member of the Board of Commissioners of Public Lands. The Assistant must take and subscribe the Oath of Office, as prescribed under the state constitution, and must give bond to the SOS in the sum and with the conditions prescribed by the

Secretary, conditioned for the faithful discharge of the duties. The Oath must be filed and preserved in the Office of the Governor. Under the bill, these provisions would be repealed.

3. REDUCE FUNDING FOR SUPPLIES AND SERVICES [LFB Paper 580]

PR	- $157,800

Governor: Reduce funding for supplies and services by $78,900, annually, to reflect cost savings associated with the proposed relocation of the Office of the Secretary of State to share space with the State Treasurer in the State Capitol building. According to the administration, the reduction in supplies and services is equal to the current expenditures for private rental space.

Joint Finance: Approve the Governor's proposal. However, specify that: (a) the SOS may not be located in a room shared with another member of the Board of Commissioners of Public Lands; and (b) the Office of the Secretary of State must be accessible to the public.

4. REDUCE ANNUAL TRANSFER OF REVENUES FROM THE DEPARTMENT OF FINANCIAL INSTITUTIONS [LFB Paper 580]

PR-REV	- $350,000

Governor/Joint Finance: Reduce the amount of funds transferred from the Department of Financial Institutions' (DFI) general program operations appropriation to the SOS's program fees appropriation by $175,000, annually. Reduce program revenues deposited into this appropriation by $175,000, annually.

Under current law, an annual transfer of $325,000 is made from DFI's general program operations appropriation to the SOS's program fees appropriation. Under the Governor's proposal, this amount would be reduced to a transfer of $150,000, annually.

5. TRANSFER OF MUNICIPAL FILING FUNCTIONS TO THE DEPARTMENT OF ADMINISTRATION [LFB Papers 580 and 581]

Governor: Transfer certain record keeping functions from the SOS to the Department of Administration (DOA) related to certain municipal annexations, detachments, dissolutions, and incorporations. These provisions would first apply to a document that is filed, recorded, supplied, provided, forwarded, or issued, or to a fact that is certified on the effective date of the bill. As currently drafted, the Governor's budget would not transfer existing records from the SOS to DOA; however, the administration indicates that it was their intent to transfer the existing records to the Department.

Under current law, municipal clerks are required to file certified copies with the SOS under certain circumstances documenting changes in the name of a municipality, changes in the legal boundaries of a municipality, or changes in whether a specified population residing in a specified area of land is incorporated or unincorporated with an existing, or as a new, municipality. In certain circumstances, the clerk of the court may be required to file court orders with the Secretary if that order changes the legal boundaries of a municipality. The SOS is

required, in certain circumstances, to issue certificates of incorporation and record the certificate. In addition, for certain changes to the legal boundary of a municipality, the Secretary may be required to provide other departments in state government copies of documents changing the legal status or the legal boundaries of a municipality. Under the bill, these responsibilities would be transferred to DOA.

Joint Finance: Approve the Governor's proposal. In addition, specify that the existing records of the SOS related to the municipal boundary record-keeping functions would be transferred to, and become the property of, DOA on the effective date of the bill.

6. REESTIMATE FUNDING FOR SUPPLIES AND SERVICES [LFB Paper 580]

PR	- $97,900

Governor/Joint Finance: Reduce funding by $48,100 in 2015-16 and $49,800 in 2016-17. According to the administration, the reduction would more accurately reflect estimated expenditures for supplies and services that will be incurred under the bill during the 2015-17 biennium.

7. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DOA [LFB Paper 110]

Governor: Require that all information technology services for the SOS be provided by DOA.

On the effective date of the bill, specify that the assets and liabilities of the SOS related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred to DOA under the provision.

Joint Finance: Delete provision. [See "Administration -- Transfers"]

8. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the SOS lapse $51,200 PR to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. (See "Budget Management and Compensation Reserves.")

9. GPR-REV REESTIMATE [LFB Paper 583]

GPR-REV	$188,000

Joint Finance: Reestimate GPR-REV from the SOS at $106,000 in 2015-16 and $82,000

in 2016-17 to more accurately reflect the estimated year-end lapse from the SOS under the bill. These revenues are in addition to the statutory lapse requirement described under "8" above. Under current law, any unencumbered balance at the close of a fiscal year exceeding 10% of that fiscal year's expenditures from the SOS's program fees appropriation lapses to the general fund.

10. LAPSE PR APPROPRIATION BALANCE [LFB Paper 582]

GPR-REV	$30,000

Joint Finance: Lapse from the balance of the SOS's agency collections appropriation $30,000 PR to the general fund on a one-time basis in 2015-16. This appropriation had an opening balance of nearly $36,700 on July 1, 2014. Net expenditures from this appropriation are estimated to draw down the balance at a rate of $500, annually. As a result of this provision, it is estimated that the closing balance at the end of the 2015-17 biennium would be approximately $5,200, rather than $35,200 under current law.

Under current law, the SOS's agency collections appropriation is an annual PR appropriation. All moneys received by the SOS as fees or other charges for photocopying, microfilm copying, generation of copies of documents from optical disk or electronic storage, sales of books, and other services provided in carrying out the functions of the Office are deposited in this appropriation. Monies deposited in this appropriation can be used for photocopying and microfilm copying of documents, generation of copies of documents from optical disk or electronic storage, publication of books, and other services provided in carrying out the functions of the SOS.

11. DIGITAL PUBLICATION OF ACTS AND CONSTITUTIONAL AMENDMENTS

Joint Finance: Make the following changes to the bill:

a. Repeal the requirement that the SOS must publish notification of an act in the official state newspaper. Under current law, the SOS must publish in the official state newspaper, within 10 days after the date of publication of an act, a notice certifying the number of each act, the number of the bill from which it originated, the date of publication, and the relating clause, including a notice of where the full text of each Act can be obtained. This provision would not affect the current law requirement that the Legislative Reference Bureau (LRB) must permanently maintain on the Internet in one or more electronic formats each act, and every portion of an act that is enacted by the Legislature over the Governor's partial veto, beginning on the date of publication. This provision would also not affect the current law provision that the LRB may publish such acts on other electronic media in one or more electronic file formats, as determined by the LRB.

b. Repeal the requirement that the SOS must publish in the official state newspaper, on the first Tuesday of August, September, and October immediately preceding any general election, proposed constitutional amendments that were approved for the first time by the Legislature preceding the election. Instead, require the LRB to publish proposed constitutional amendments that were approved for the first time by the Legislature on the Internet in one or more electronic

formats. Require the proposed amendments to be published on the August 1 preceding any general election and to remain so published until the general election.

c. Reduce the Legislature's enactment of state laws -- legislative documents sum sufficient appropriation by $9,000 GPR in 2015-16 and $4,000 in 2016-17. Currently, the SOS's costs for publishing notifications of acts and proposed constitutional amendments in the official state newspaper are charged to the Legislature's sum sufficient appropriation for printing of legislative documents, not to the SOS. The reduction reflects lower estimated publication costs resulting from the provisions under "a" and "b" above. [These funding reductions are shown under "Legislature."]

SHARED REVENUE AND TAX RELIEF

Budget Summary by Funding Source

	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
Direct Aid Payments							
Expenditure Restraint	$116,291,400	$116,291,400	$116,291,400	$0	0.0%	$0	0.0%
County and Municipal Aid	1,390,151,400	1,392,251,400	1,392,251,400	0	0.0	2,100,000	0.2
Public Utility Distribution	141,200,000	143,500,000	145,100,000	1,600,000	1.1	3,900,000	2.8
State Aid; Tax Exempt Property	173,400,000	180,835,000	173,200,000	-7,635,000	-4.2	-200,000	-0.1
Interest Payments on Overassessments of Manufacturing Property	20,000	30,000	30,000	0	0.0	10,000	50.0
Payments for Municipal Services	37,168,400	37,168,400	37,168,400	0	0.0	0	0.0
Property Tax Credits							
Homestead Tax Credit	236,420,000	227,600,000	224,400,000	-3,200,000	-1.4	-12,020,000	-5.1
Pre-2010 Farmland Preservation Credit	1,800,000	2,100,000	2,100,000	0	0.0	300,000	16.7
Farmland Preservation Per-Acre Credit	40,000,000	33,500,000	36,200,000	2,700,000	8.1	-3,800,000	-9.5
School Levy Tax Credit	1,494,800,000	1,706,000,000	1,600,400,000	-105,600,000	-6.2	105,600,000	7.1
First Dollar Credit	300,000,000	300,000,000	298,037,100	-1,962,900	-0.7	-1,962,900	-0.7
Other Credits							
Claim of Right Credit	340,000	454,000	454,000	0	0.0	114,000	33.5
Jobs Tax Credit	36,000,000	31,500,000	28,900,000	-2,600,000	-8.3	-7,100,000	-19.7
Woody Biomass Harvesting and Processing Credit	600,000	112,500	150,000	37,500	33.3	-450,000	-75.0
Meat Processing Facility Investment Credit	0	0	100,000	100,000	N.A.	100,000	N.A.
Food Processing Facility and Food Warehouse Investment Credit	0	0	150,000	150,000	N.A.	150,000	N.A.
Business Development Credit	0	2,500,000	4,250,000	1,750,000	70.0	4,250,000	N.A.
Enterprise Zone Jobs Credit	102,400,000	91,800,000	105,600,000	13,800,000	15.0	3,200,000	3.1
Veterans and Surviving Spouses Property Tax Credit	64,740,000	63,600,000	58,200,000	-5,400,000	-8.5	-6,540,000	-10.1
Dairy Manufacturing Facility Investment Credit	0	0	340,000	340,000	N.A.	340,000	N.A.
Cigarette & Tobacco Products Tax Refunds	70,600,000	75,060,000	75,060,000	0	0.0	4,460,000	6.3
Earned Income Tax Credit	88,200,000	90,310,000	74,000,000	-16,310,000	-18.1	-14,200,000	-16.1
GPR Total	$4,294,131,200	$4,494,612,700	$4,372,382,300	-$122,230,400	-2.7%	$78,251,100	1.8%
Other Credits							
Earned Income Tax Credit; Temporary Assistance for Needy Families	$125,000,000	$125,000,000	$137,300,000	$12,300,000	9.8%	$12,300,000	9.8%
PR Total	$125,000,000	$125,000,000	$137,300,000	$12,300,000	9.8%	$12,300,000	9.8%
Direct Aid Payments							
County and Municipal Aid; Police and Fire Protection Fund	$106,000,000	$103,900,000	$103,900,000	$0	0.0%	-$2,100,000	-2.0%
Property Tax Credits							
Lottery & Gaming Credit	286,699,000	324,018,800	324,314,200	295,400	0.1	37,615,200	13.1
Lottery & Gaming Credit; Late Applications	396,600	334,200	334,200	0	0.0	-62,400	-15.7
SEG Total	$393,095,600	$428,253,000	$428,548,400	$295,400	0.1%	$35,452,800	9.0%
TOTAL	$4,812,226,800	$5,047,865,700	$4,938,230,700	-$109,635,000	-2.2%	$126,003,900	2.6%

Direct Aid Payments

Budget Change Items

1. STATE AID FOR TAX EXEMPT COMPUTERS, CASH REGISTERS, AND FAX MACHINES [LFB Paper 590]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,435,000	- $7,635,000	- $200,000

Governor: Increase estimated payments by $2,560,000 in 2015-16 and $4,875,000 in 2016-17 to reflect projected changes in tax rates and the value of exempt computers, cash registers, and fax machines. With these adjustments, base level funding of $86,700,000 would increase to $89,260,000 in 2015-16 and $91,575,000 in 2016-17.

Joint Finance: Decrease estimated payments by $2,960,000 in 2015-16 and $4,675,000 in 2016-17. Total aid payments are estimated at $86,300,000 in 2015-16 and $86,900,000 in 2016-17.

2. PUBLIC UTILITY AID -- SUM SUFFICIENT REESTIMATE [LFB Paper 591]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,300,000	$1,600,000	$3,900,000

Governor: Increase estimated payments by $400,000 in 2015-16 and $1,900,000 in 2016-17 from the sum sufficient public utility distribution account to reflect estimated payment amounts. With these adjustments, base level funding of $70,600,000 would increase to $71,000,000 in 2015-16 and $72,500,000 in 2016-17.

Joint Finance: Increase estimated payments by $900,000 in 2015-16 and $700,000 in 2016-17. Total aid payments are estimated at $71,900,000 in 2015-16 and $73,200,000 in 2016-17.

3. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION REVENUE REESTIMATE

SEG	- $2,100,000
GPR	2,100,000
Total	$0

Governor/Joint Finance: Decrease funding by $900,000 SEG in

2015-16 and $1,200,000 SEG in 2016-17 and increase funding by $900,000 GPR in 2015-16 and $1,200,000 GPR in 2016-17 in the appropriations for the county and municipal aid program. The SEG adjustment reflects estimated reductions in revenue collected in the police and fire protection fund from a seventy-five cents per month fee imposed on each active retail voice communications service connection with an assigned telephone number. This fund is the source for a portion of county and municipal aid program payments. With these changes, payments from the police and fire protection fund would be estimated at $52,100,000 SEG in 2015-16 and $51,800,000 SEG in 2016-17. The GPR increases reflect an adjustment to the sum sufficient appropriation to offset the police and fire protection fund reestimate. With these adjustments, total GPR payments for the county and municipal aid program would be $695,975,700 in 2015-16 and $696,275,700 in 2016-17. The total aid distribution from all sources (including $5,000,000 annually from the medical assistance program) would remain unchanged at $753,075,715 annually (an amount that is rounded down to $753,075,700 in the appropriation schedule).

4. INTEREST PAYMENTS ON OVERASSESSMENTS OF MANUFACTURING PROPERTY -- SUM SUFFICIENT REESTIMATE

GPR	$10,000

Governor/Joint Finance: Increase estimated payments by $10,000 in 2016-17 from the sum sufficient appropriation for interest payments on overassessments of manufacturing property. With this adjustment, base level funding of $10,000 would remain unchanged in 2015-16 and would increase to $20,000 in 2016-17. When municipalities refund property taxes resulting from overassessments of manufacturing property, as determined by the Tax Appeals Commission, the state pays 20% of the interest cost of the refund and the municipality pays the remaining 80%.

5. EXPENDITURE RESTRAINT PROGRAM -- BUDGET TEST

Joint Finance: Modify the expenditure restraint program's eligibility requirement pertaining to municipal budgets by clarifying that the adjustment for contracted services serves to exclude from a municipality's budget any costs of providing a contracted service to another governmental unit in the year in which the municipality incurs those costs.

Property Tax Credits

1. SCHOOL LEVY TAX CREDIT INCREASE [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$211,200,000	- $105,600,000	$105,600,000

Governor: Increase the distribution amount for the school levy tax credit by $105,600,000, from $747,400,000 to $853,000,000, beginning with property taxes levied in December, 2015. For the December, 2015, credit, pay the entire $853,000,000 on the fourth Monday of July in 2016. Beginning with the December, 2016, credit, pay $105,600,000 on the fourth Monday of the following June, and pay $747,400,000 on the fourth Monday of the following July. Increase the appropriation used to fund the credit by $211,200,000 in 2016-17 ($105,600,000 for the increased payment in July, 2016, related to 2015 property taxes and $105,600,000 for the payment in June, 2017, related to 2016 property taxes). The effect of this provision would be to continue to defer the entire school levy tax credit to the following fiscal year for the December, 2015, credit, but then to start funding the increase in the same fiscal year as the credit is extended beginning with the December, 2016, credit. As a result of this change, the funding needed for the credit would be $958,600,000 in 2016-17, but would decrease to $853,000,000 annually beginning in 2017-18.

Delete the references to the fourth Monday in July related to the requirements of counties and municipalities on the settlement of the credits with underlying taxing jurisdictions to reflect the establishment of two separate payment dates for the credit.

Joint Finance: Delete the creation of a payment on the fourth Monday of June and the related changes to the settlement of the credits. Delete the provision setting the distribution at $958,600,000 in 2016-17 and $853,000,000 in 2017-18 and thereafter. Instead, set the distribution at $853,000,000 in 2016-17 and thereafter. Decrease the appropriation used to fund the credit by $105,600,000 in 2016-17. Under these changes, the annual credit amount would increase to $853,000,000, beginning with property taxes levied in December, 2015, as proposed by the Governor, but the entire amount would be paid on the fourth Monday of the following July, as under current law.

2. LOTTERY AND GAMING CREDIT REESTIMATE [LFB Paper 565]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$37,319,800	$295,400	$37,615,200

Governor: Provide increases of $17,776,100 in 2015-16 and $19,543,700 in 2016-17 to the sum sufficient appropriation to reflect estimates of lottery proceeds available for distribution. With these adjustments, estimated total funding for the credit would increase from an adjusted base level of $143,349,500 to $161,125,600 in 2015-16 and $162,893,200 in 2016-17. The cost of the credit for 2014-15 is estimated at $170,069,200.

Joint Finance: Reestimate the lottery and gaming credit by $1,657,200 in 2015-16 and -$1,361,800 in 2016-17 to reflect projected available lottery revenues and expenses in the biennium. With these reestimates, the lottery and gaming credit would total $162,782,800 in 2015-16 and $161,531,400 in 2016-17.

3. LOTTERY AND GAMING CREDIT; LATE APPLICATIONS

SEG	- $62,400

Governor/Joint Finance: Decrease funding by $31,200 annually for the sum sufficient appropriation to reflect estimates of the amount of credits to be paid to persons who apply for the credit after tax bills have been issued. As a result, tax credit distributions for late applications would decrease from an adjusted base level of $198,300 to $167,100 annually.

4. HOMESTEAD TAX CREDIT REESTIMATE [LFB Paper 596]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $8,820,000	- $3,200,000	- $12,020,000

Governor: Decrease funding by $3,610,000 in 2015-16 and $5,210,000 in 2016-17 for the sum sufficient appropriation to reflect anticipated costs of the credit in the biennium. With these adjustments, estimated total funding would decrease from an adjusted base level of $118,210,000 to $114,600,000 in 2015-16 and $113,000,000 in 2016-17. The cost of the credit for 2014-15 is estimated at $116,000,000.

Joint Finance: Decrease funding by $2,100,000 in 2015-16 and $1,100,000 in 2016-17 to reestimate the sum sufficient appropriation at $112,500,000 in 2015-16 and $111,900,000 in 2016-17 to reflect a projected decline in the current year credit and anticipated changes in income, property taxes, and program participation.

5. FARMLAND PRESERVATION PER-ACRE CREDIT REESTIMATE [LFB Paper 597]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $6,500,000	$2,700,000	- $3,800,000

Governor: Decrease funding by $3,200,000 in 2015-16 and $3,300,000 in 2016-17 to the sum sufficient appropriation for the farmland preservation per-acre tax credit, which applies to tax years after 2009. With these adjustments, the credit's base level funding of $20,000,000 would decrease to $16,800,000 in 2015-16 and $16,700,000 in 2016-17. The cost of the credit for 2014-15 is estimated at $18,500,000.

Joint Finance: Increase funding by $1,200,000 in 2015-16 and $1,500,000 in 2016-17. With these reestimates, total credit funding would equal $18,000,000 in 2015-16 and $18,200,000 in 2016-17.

6. PRE-2010 FARMLAND PRESERVATION CREDIT REESTIMATE

GPR	$300,000

Governor/Joint Finance: Provide increases of $172,000 in 2015-16 and $128,000 in 2016-17 for the sum sufficient appropriation to reflect anticipated costs of the credit in the biennium for claimants who have an active farmland preservation agreement signed prior to July 1, 2009. With these adjustments, estimated total funding would increase from an adjusted base level of $900,000 to $1,072,000 in 2015-16 and $1,028,000 in 2016-17. The cost of the credit for 2014-15 is estimated at $1,400,000.

7. FIRST DOLLAR CREDIT REESTIMATE [LFB Paper 598]

GPR	- $1,962,900

Joint Finance: Decrease funding by $1,962,900 in 2015-16 to reflect the $148,037,100 actual amount of property tax year 2014(15) credits to be distributed in July, 2015, based on the $6,500 credit base established by the Department of Revenue and the number of eligible parcels on which the credit will be claimed. Funding for the credit in 2016-17 would remain at the base level of $150,000,000.

Property Taxation

1. COUNTY, REGIONAL, AND CITY ASSESSMENT

Governor: Create a countywide property assessment system, with exceptions, to replace the municipal property assessment system and the current county assessment option authorized under current law. In lieu of a countywide assessment system and subject to certain conditions, authorize two or more counties to form a regional assessment unit, and authorize first or second class cities (these are cities with a population of 39,000 or more) to continue assessing property within their boundaries. Require all real estate and personal property within the county, region, or city, as appropriate, to be assessed under the newly authorized system as of January 1, 2017, except that DOR would continue to assess all manufacturing property and certain commercial property (where the owner and the municipal governing body request DOR assessment). Change the date by which assessors must deliver assessment rolls to municipal clerks from the first Monday in May to the first Monday in April, effective on December 31, 2016.

Regional Assessment Units. Authorize two or more counties to form a regional assessment unit if every county in the unit is contiguous with at least one other county in the unit, provided a county enacts an ordinance to form the regional assessment unit. Require the ordinance to specify the composition and operating standards of the unit, including: (a) the procedure for hiring and removing the regional assessment administrator; (b) timelines and assessment standards consistent with the timelines and standards published by DOR, including a standardized contract for assessors who are hired pursuant to a contract; (c) the procedures for allowing a county to join the regional assessment unit and for terminating a county's participation in the unit; (d) the number of county residents who will serve on the regional board

of review; (e) the compensation for the regional board of review members; and (f) other requirements to ensure the proper administration of the regional assessment unit's assessments and operations, as determined by the Secretary of DOR. These provisions would become effective on the bill's enactment. Modify current law provisions by changing responsibility for performing various duties from municipal assessors to county or regional assessment units, effective on December 31, 2016.

City Assessment Systems. Authorize any first or second class city that is assessing property within its boundaries as of January 1, 2015, to become part of a county or regional assessment system, effective with the January 1, 2017, tax assessments, or to continue assessing such property, subject to modifications made under this proposal. Require the city to become subject to assessment by the county or regional assessment unit in which the city is located if during any subsequent year the city fails to employ at least 75% of the staff it employed in 2015 who are directly involved with assessing property, not including clerical positions, or the city fails to assess all property at full value. However, require the city assessor to assess property classified as agricultural, undeveloped, or agricultural forest consistent with any applicable statutory standards. Repeal the current law provision that authorizes cities of the second class to create a board of assessors, effective December 31, 2016 (assessment appeals would go directly to the board of review). Specify that if any city becomes subject to county or regional assessment for failing to meet the requirements described above, the county or regional assessment unit shall perform all subsequent assessments.

Require any city that elects to conduct its own assessments to notify the board of the county where the city is located of its decision no later than September 15, 2015. Beginning with property tax assessments as of January 1, 2017, if any city is conducting its own assessments, but elects to have the county or regional assessment unit conduct subsequent assessments in the city, require the city to notify the board of the county or counties where the city is located no later than the first Monday in February in the year preceding the year of the initial county or regional assessments. Specify that the county or regional assessment unit shall then conduct all subsequent assessments. Modify existing statutory provisions applying to municipal assessors in general to apply to assessors under a city assessment system, effective December 31, 2016.

Staffing. Require each county or regional assessment unit to employ an assessment administrator, designated as the chief officer responsible for determining the property values in the county or region. Authorize the county executive, the county administrator, or the chairperson of the county board with the approval of the county board, as applicable, to appoint the assessment administrator, effective on December 31, 2016. Specify that the appointment be made by the most populous county in the case of a regional assessment unit, unless specified otherwise in the ordinance establishing the regional assessment unit. Specify that the administrator must satisfy the standards established by DOR, maintain his or her assessment certification in the manner determined by DOR, and participate in continuing education as determined by DOR. Specify that the administrator is an employee of the county or, in the case of a regional assessment unit, an employee of the most populous county in the regional assessment unit, unless otherwise specified in the ordinance creating the regional assessment unit. Authorize the administrator to employ a staff of individuals who work pursuant to a contract or are individuals employed by the county or any county in the regional assessment unit.

Prohibit any administrator or staff member, regardless of whether they are county employees or contract employees, from serving as a member of a county or regional board of review. Require the administrator to develop standards and procedures for assessment employees that are consistent with guidance and standards published by DOR, including the maximum number of parcels an assessor may annually assess and the standards and procedures for the sales verification process. Except as noted, these provisions would become effective with the bill's enactment.

Equalized Value. Require the assessment administrator to submit the full values of all parcels assessed by the county or regional assessment unit to DOR by the second Monday in June each year, and require DOR to audit and correct the reported values. Require DOR to publish the full values, as corrected, no later than August 1 of each year, beginning in 2017. Specify that the published full values would be considered the equalized values for purposes of the property tax statutes and change the date by which DOR must certify equalized values from August 15 to August 1, effective on December 31, 2016.

Operating Costs. Require each assessment administrator to determine the costs of operating the county or regional assessment unit office and report the amount to the financial administrator of the county or of each county of the regional assessment unit. Require the county or the counties of the regional assessment unit to charge each municipality that receives assessment services a proportionate share of the assessment costs. Limit the amount charged each municipality to 95% of the municipality's assessment costs in 2015, increased by the valuation factor used to calculate the municipality's levy limit under current law provisions for all years after 2015. Require the municipality to pay any such charges by the deadline established by the county or regional assessment unit. These provisions would become effective with the bill's enactment, but would first relate to the property tax assessments for January 1, 2017.

DOR Assessment Standards. Repeal current law provisions requiring municipalities to assess property at full value at least once in every five-year period, requiring DOR to provide notice to municipalities where the assessed value for each major class of property has not been within 10% of that property's full value at least once in the preceding four years, imposing a training requirement on municipalities not meeting the 10% standard in five years, authorizing DOR to provide training, and requiring DOR to order special assessment supervision for municipalities that continue to not meet the 10% standard. These provisions would take effect on December 31, 2016. Modify DOR's general program operations appropriation for the Division of State and Local Finance to delete the reference to the assessor training program, effective upon the bill's enactment.

Instead, in 2017 and in each subsequent year, require each city, county, and regional assessment unit responsible for assessing property to publish a notice on its Internet website, as prescribed by DOR rule, before it conducts an assessment, to assess property within its boundaries at full value, and to submit the full value of property assessed by the city, county, or regional assessment unit to DOR no later than the second Monday in June in an electronic format. Require DOR to annually audit and correct the submitted values. Require DOR to finalize and publish the final values no later than September 15, 2017, for values submitted in 2017, and no later than August 1 for values submitted in subsequent years (a separate bill provision would establish the August 1 deadline beginning in 2017).

If the Secretary of DOR determines that a city that conducts assessments is in substantial noncompliance with the full value assessment requirement, require the city to become subject to assessment by the county or regional assessment unit, as appropriate, in the year following the year of noncompliance. If the Secretary of DOR determines that a county or regional assessment unit that conducts assessments is in substantial noncompliance with the full value assessment requirement, require DOR to assist the county or regional assessment unit with the assessment in the year following the year of noncompliance. Require the county or regional assessment unit to pay DOR 50% of the Department's costs in providing such assistance if the assistance is provided in 2017 through 2022. If DOR provides assistance in any year after 2022, require the county or regional assessment unit to pay DOR 100% of the Department's costs in providing such assistance. Require DOR to notify DOT if any county or regional assessment unit fails to remit payment for DOR's assistance, and require DOT to reduce the general transportation aid payment for the county or for the counties participating in the regional assessment unit in an amount equal to that owed to DOR and to remit this amount to DOR. Authorize the Secretary of DOR to require a county or regional assessment unit to replace its assessment administrator if the incumbent administrator demonstrates fraud, deceit, negligence, incompetence, or misconduct, or if the administrator is subject to revocation for failing to meet recertification requirements. These provisions would take effect on December 31, 2016.

Board of Review - Members and Organization. Repeal current law provisions relating to municipal boards of review and modify other current law provisions by deleting references to towns, villages, cities, and their officials and substituting references to first and second class cities that elect to continue providing assessment services. In counties with a county assessment system, require the county board to adopt an ordinance creating a county board of review consisting of six to 10 county residents. Require counties participating in a regional assessment unit to create a regional board of review, consisting of seven to 11 members. Establish five-year, staggered terms for members of county or regional boards of review. Prohibit more than two members of any board from residing in the same municipality; prohibit any board member from serving in a local or state public office or being employed as a local or state governmental employee, as defined under current law; and prohibit any board member from residing in a city that has elected to conduct its own assessments. Require the county executive, or the county board chairman if there is no executive, to appoint members to county or regional boards of review with the approval of the county board, except specify that appointments to regional boards of review would be made individually by each county within the region. Require the county board to adopt an ordinance establishing compensation for members of county boards of review, and require regional assessment units to establish compensation for members of regional boards of review. Delete the current law requirement that at least one board of review member, who is either the municipal chief executive officer or the officer's designee, must have completed DOR training for board of review members within two years of the board's first meeting and instead require all board of review members to attend DOR training at least once in the year prior to the board's first meeting each year. Require the city or county clerk, as appropriate for the type of assessment system, to provide an affidavit to DOR stating whether the training requirement has been fulfilled for all individuals serving on the board of review. These provisions would take effect on December 31, 2016.

Board of Review - Proceedings. Create provisions requiring county or regional boards to

hold annual meetings for the purpose of examining assessment rolls. Require county boards to hold at least two meetings each year and to hold the meetings in different municipalities within the county. Require regional boards to meet at least once in each participating county and at an additional time in a municipality that is different from the other municipalities where the board met in that year. Modify current law provisions regarding board of review proceedings by replacing references to municipalities with references to cities electing to conduct assessments, counties with county assessment systems, and counties in regional assessment units. In addition, change the date for the board's annual meeting from any time during the 30-day period beginning on the second Monday of May to any time during the 30-day period beginning on the second Monday of April and repeal language allowing municipalities to set nonstandard hours for the first meeting. For counties with county or regional assessment units, require the assessment administrator to designate a place for board of review meetings. Require assessment administrators to notify DOR of the date and time of initial board of review meetings and, in years when an assessment has been conducted, change the period for posting notices of initial board of review sessions from 30 days to 15 days prior to the session. Require assessment administrators to be present at all county or regional board of review meetings. Modify current law provisions to clarify that the "clerk" is the "board of review clerk." Modify the current law provision requiring persons asking to have a board of review member removed to provide notice of this request at the board's first session and, instead, allow persons to provide notice at any session. Extend the current law procedures for holding initial board of review sessions to all sessions held by county or regional boards of review.

Allow taxpayers to file written objections with the appropriate city, county, or regional board of review alleging that the assessment of one or more items or parcels of property within the boundaries of the city, county, or regional assessment unit is radically out of proportion to the general level of assessment of all other property within the boundaries of the city, county, or regional assessment unit, if the assessed value of such property does not exceed $1 million (the bill would repeal a similar provision allowing such reviews of assessment to be made by DOR).

Make the following modifications to the statutes related to boards of review to remove language found to be unconstitutional by the Wisconsin Supreme Court in a 2011 decision (Metropolitan Associates v. City of Milwaukee): (a) repeal the current law provisions allowing taxpayers who pay a $100 fee to seek a 60-day delay in board of review proceedings if the municipality or a first class city has enacted an ordinance allowing such delays, and delete related provisions pertaining to court review of board of review decisions; (b) repeal the current law provision that requires the municipal boards of review to allow sufficient time for hearings to permit taxpayers and assessors to present their evidence; (c) modify current law provisions regarding court review of board of review decisions by deleting a provision that allows the court to remand assessments for reconsideration by a board when the court determines that the board lacked good cause to deny a request for a deposition subpoena and a provision that allows parties to agree to apply court decisions to assessments covering more than one assessment year; and (d) make similar changes to current law provisions pertaining to court review of assessment appeals in first class cities.

These provisions would take effect on December 31, 2016.

Review of Assessment by DOR. Repeal the current law provision allowing taxpayers to file

a complaint with DOR, pay a fee, and have DOR revalue one or more items or parcels of property, provided DOR finds that a revaluation is warranted, and delete related cross references in other current law provisions. These provisions would take effect on December 31, 2016.

Expert Assessment Help. Repeal the current law provisions allowing municipalities to employ expert assessment help when conducting an assessment and requiring DOR to certify expert appraisers for use by municipalities seeking help. Modify the related DOR appropriation by deleting language relating to the program. These provisions would take effect on December 31, 2016.

Assessor Certification. Delete the ability of an assessor to be recertified through examination as an alternative to attending at least four of five annual assessor meetings. Authorize DOR to revoke a person's certification if the person fails to attend more than one annual meeting or fails to meet the continuing education requirements in any recertification cycle. Authorize DOR to reinstate a revoked certification after a period of not less than one year if the person whose certification was revoked requests reinstatement, attends the next annual assessor meeting called by DOR after the revocation, and passes a certification examination. Authorize the DOR Secretary, or the Secretary's designee, to suspend (in addition to the current authority to revoke) a certification for fraud or deceit in obtaining certification, or any negligence, incompetence, or misconduct, and to require any assessor, assessment personnel, or expert appraiser to take corrective action in order to avoid revocation or suspension of the person's certification in such cases. Change the time by which DOR personnel must obtain the first level of certification to be within a timeframe consistent with DOR's employment practices, rather than within 100 days of the employee's appointment. These provisions would take effect on the general effective date of the bill. Modify current law provisions relating to DOR's assessor certification program to apply to personnel of county and regional assessment units and delete obsolete language, both effective on December 31, 2016.

Current Law Provisions Relating to County Assessor Systems. Repeal current law provisions authorizing county boards to create a county assessor system and appropriating certain monies for DOR performance of county assessment studies. The county assessment language created by the bill would replace the current authority. Delete current law provisions referencing those systems. These provisions would take effect on December 31, 2016.

Omitted Property. Modify the current law provision related to taxable property that was omitted from the assessment roll in any of the two next previous years to specify that the provision extends to property that was omitted "in whole or in part" and limit the provision to property that can be identified as property discrete from the property that was formerly assessed. Change the date, in 2016 only, for municipal clerks to submit information to DOR on omitted property from no later than October 1 to no later than November 1. These provisions would take effect on the general effective date of the bill.

Miscellaneous Provisions. Repeal current law provisions and related references in other current law provisions pertaining to town, village, city, and municipal assessors. Modify current law references to reflect that assessments would be conducted by first and second class cities, counties, and regional assessment units. Specify that all notices of changed assessment would have to be sent at least 15 days before the initial meeting of the board of review (current law

requires at least 30 days notice in years in which a reassessment occurs). Modify current law provisions regarding civil service systems established by towns to accommodate the transition to county or regional assessment. Repeal the current law provision requiring counties to reimburse municipal assessors, clerks, and other officials for travel and related expenses when attending meetings convened by DOR's supervisors of equalization. Modify current law provisions regarding claims on excessive assessments to be consistent with proposed changes to board of review provisions, to reflect the proposed repeal of assessment reviews by DOR, and to remove the prohibition on taxpayers in counties with a population of 500,000 or more from making claims on excessive assessments [this last provision was found to be unconstitutional by the Wisconsin Supreme Court in a 2001 decision (Nankin v. Village of Shorewood)]. These provisions would take effect on December 31, 2016.

Appropriation and position changes that are related to these provisions are reflected in an entry with the same title under "Revenue - Tax Administration."

Joint Finance: Delete provision as a non-fiscal policy item.

2. PROPERTY TAX BILL INFORMATION [LFB Paper 600]

Governor: Modify the current law provision that requires certain information to be included on the property tax bill to also require the bill to indicate: (a) the amount of the debt service from bonds issued by each taxing jurisdiction and the taxpayer's proportionate share of that amount; (b) the amount of any fees or charges assessed by each taxing jurisdiction that is collected in the tax levy and the taxpayer's proportionate share of that amount; (c) the amount of taxes levied for the maintenance and operation of each county, city, village, town, school district, and technical college district where the property is located; and (d) the amount of taxes levied to pay for all of the following: (1) the redemption charges on any bonded indebtedness or other long-term obligation incurred by each taxing jurisdiction where the property is located; (2) additional amounts levied pursuant to a referendum to exceed a tax levy limitation of a taxing jurisdiction where the property is located; and (3) the maintenance and operation of any taxing jurisdiction where the property is located, other than the jurisdictions listed under (c). This provision would first apply to property tax bills mailed to taxpayers in 2015.

State law directs the Department of Revenue to prescribe the form of the property tax bill and requires the form to be uniform. Current law requires the tax bill to show: (a) the amount of school taxes allocable to the property (net of the school levy tax credit) for the prior year and the current year and the percent change between the years; (b) the amount of gross 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; (c) the sum of the tax amounts allocated for each taxing jurisdiction, displayed for the prior year and the current year and the percent change between the years; (d) the lottery and gaming credit, if applicable, displayed for the prior year and the current year and the percent change between the years; (e) the first dollar credit, if applicable, displayed for the prior year and the current year and the percent change between the years; (f) the net property tax due, displayed for the prior year and the current year and the percent change between the years; (g) the net tax rate after distribution of the school levy tax credit; (h) the description of the property shown on the tax roll or an abbreviation of the description; (i) the

amount of assessment issued by a drainage board or an indication that no assessment was issued, if the property is in a drainage district; (j) an indication of whether there are delinquent taxes on the property; (k) a notice of tax credits that may be available to taxpayers (homestead, farmland preservation, and school property tax); (l) a notice that taxpayers may request a copy of the tax receipt; (m) an explanation of when taxes are due and to whom they must be paid; and (n) estimated state aid payments to the county, municipality, school district, and technical college district for the prior year and current year.

Joint Finance: Delete provision. Require the tax bill to include the total amount of tax levied on all property in the current year and the amount of tax levied on the individual property in the current year, both of which are the result of a referendum to exceed the school revenue limit, the technical college revenue limit, or the county and municipal levy limit on a non-permanent basis. Extend the requirement to towns where a vote to exceed the levy limit was adopted at an annual town meeting or at a special town meeting. Require a separate listing for the amounts associated with each such referendum or town meeting approval, which includes the date on which the additional approved levy is expected to be discontinued. Limit the requirement to referenda or town meeting votes that occur on or after January 1, 2015. Require the information to be supplied in a section of the tax bill that is separate from the billing information. Extend this requirement to tax bills issued in December, 2015, and thereafter.

3. COUNTY AND MUNICIPAL LEVY LIMIT -- ADJUSTMENT FOR UNUSED LEVY AUTHORITY CARRIED FORWARD FROM PRIOR YEARS

Joint Finance: Create a levy limit adjustment allowing a political subdivision to increase its allowable levy by the amount of unused levy authority from prior years for levies adopted beginning in 2015, as follows: (a) establish the annual carryforward factor as the difference between the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor and the political subdivision's valuation factor; (b) establish the maximum carryforward factor as the sum of the annual carryforward factors for the five preceding years, but not including any year prior to 2014(15), less any carryforward adjustment made under (d) in a prior year; (c) specify that if the result of the preceding calculation exceeds 5%, the maximum carryforward factor would be reduced to 5%; (d) specify that a political subdivision may increase its levy by its maximum carryforward factor with a two-thirds vote of the political subdivision's governing body, provided that the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year; and (e) specify that any political subdivision that adjusts its allowable levy under this provision cannot also adjust its allowable levy under the carryforward adjustment authorized under current law.

4. COUNTY AND MUNICIPAL LEVY LIMIT -- ADJUSTMENT FOR SERVICE TRANSFERS

Joint Finance: Modify the levy limitation authorized under current law to allow any political subdivision that transfers to another governmental unit responsibility for providing any service that the political subdivision provided in the preceding year and any political subdivision

that increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit that provided the service in the preceding year to adjust its allowable levy. Set the adjustment equal to one-half of the difference between the cost that would have been incurred to provide the service and the cost to provide the service, but require that amount to be divided between the entities agreeing to the service transfer, as specified in the transfer agreement. Specify that the provision first be extended to taxes levied beginning in 2015.

5. COUNTY AND MUNICIPAL LEVY LIMIT ADJUSTMENT FOR COVERED SERVICES

Joint Finance: Modify the current law provision that extends a levy limit adjustment for fee revenues and payments in lieu of taxes that are used to fund certain covered services by excluding any garbage collection by a county or municipality that owned and operated a landfill on January 1, 2013, from the definition of covered service. Specify that this change would first apply to property tax levies imposed in December, 2015.

6. SETTLEMENT OF DELINQUENT ASSESSMENTS AND CHARGES

Joint Finance: Modify current law provisions related to special assessments, municipal public utility charges, and sewerage service charges that are delinquent or in arrears by changing their characterization from special tax to special assessment or special charge. Modify the current law provision relating to municipal recovery of expenses incurred from the construction and repair of sidewalks by changing the term special tax to special charge. Specify that these provisions would first be extended to assessments and charges included on tax bills issued in December, 2015.

Local Revenue Options

1. PREMIER RESORT AREA -- CITY OF RHINELANDER

Joint Finance: Provide an exemption for the City of Rhinelander in Oneida County from the statutory requirement that 40% of their equalized value be used by tourism-related retailers in order to declare themselves a premier resort area. Require that in order to impose a 0.5% premier resort area tax, the City's governing body would have to adopt a resolution proclaiming its intent to impose the tax and the resolution would have to be adopted by a majority of electors in the City at a referendum held at the first spring primary or election, partisan primary, or general election occurring at least 70 days after the date the resolution is adopted. Provide that the ability of the City to impose the tax would take effect on the first day of the calendar quarter beginning at least 120 days after publication of the bill. Specify that City could only expend the revenues from the tax on transportation-related infrastructure and that the City would have to expend at least the same amount of other funds on transportation-related infrastructure each year that it spent during the calendar year prior to the year in which the premier resort area tax is first imposed.

2. LOCAL GOVERNMENT LODGING ("ROOM") TAX

Joint Finance: Make the following modifications to the local room tax requirements under current law.

a. Delete the current law provision that allows a municipality to directly spend the portion of room tax revenues required to be used for tourism promotion and development for those purposes, first applying to taxes collected and expenditures made on January 1, 2016.

b. Require, rather than allow, as a under current law, a municipality to forward the portion of room tax revenues required to be spent on tourism promotion and development to a local tourism commission, which could receive these funds under current law, or a tourism entity, first applying to taxes collected on January 1, 2016.

c. Specify that any municipality that currently retains over 30% of local room tax revenues for purposes other than tourism promotion and tourism development would be limited to the greater of 30% of current year revenues or the following dollar amounts:

(1) in 2016, the same dollar amount of annual room tax revenues the municipality retained for such purposes in 2013;

(2) in 2017, the same dollar amount of annual room tax revenues the municipality retained for such purposes in 2012;

(3) in 2018, the same dollar amount of annual room tax revenues the municipality retained for such purposes in 2011;

(4) in 2019, the same dollar amount of annual room tax revenues the municipality retained for such purposes in 2010; and

(5) in 2020, and thereafter, the same dollar amount of annual room tax revenues the municipality retained for such purposes in 2009.

d. Specify that for any contract entered into by a municipality, which existed on or before January 1, 2015, and remains in effect, any room tax revenues needed to meet that contract would not be subject to the limit described under "c" until the terms of the contract are satisfied, at which time the limit would apply.

e. Beginning in 2016, annually on or before May 1, require all municipalities with a local room tax to certify and report to the Department of Revenue (DOR), on a form created and provided by the Department, the following:

(1) the amount of room tax revenue collected, and the room tax rate imposed, by the municipality in the previous year;

(2) a detailed accounting of the amounts of such revenue that were forwarded in the previous year for tourism promotion and tourism development, that specifies the tourism commission or tourism entity that received the revenue and includes a detailed accounting for expenditures of at least $1,000 made by a tourism commission or a tourism entity; and

(3) a list of each member of the tourism commission and each member of the governing body of a tourism entity to which the municipality forwarded room tax revenue in the previous year, and the name of the business entity the member owns, operates, or is employed by, if any.

f. Specify the following related to annual reports from municipalities with a local room tax:

(1) that DOR collect the reports and make them available to the public;

(2) that DOR would have the authority to impose a penalty of not more than $3,000 on a municipality that does not submit a report and that the penalty must be paid to DOR; and

(3) that a municipality may not use room tax revenue to pay a penalty for failing to submit a report.

g. Require any municipality that collected a room tax on May 13, 1994, to include with the report to be filed on or before May 1, 2016, a copy of its room tax ordinance that was in effect on May 13, 1994, and a copy of the municipality's financial statement that was completed nearest in time to May 13, 1994, and that shows the percentage of room tax revenue that the municipality retained for its own purposes other than purposes related to tourism promotion and development.

h. Modify the current law definition of a "tourism entity" to include the following:

(1) the entity must be a nonprofit organization that came into existence before January 1, 2015, rather than January 1, 1992, as under current law, except that if no such organization exists on January 1, 2015, a municipality may contract with such an organization if one is created in the municipality; and

(2) the entity must spend at least 51% of its revenues on tourism promotion and tourism development and must provide destination marketing staff and services for the tourism industry in a municipality.

i. Require the following relating to a tourism entity:

(1) that the governing body include at least one owner or operator of a lodging facility that collects the room tax and is located in the municipality for which the tax is collected; and

(2) to report annually to each municipality from which it receives room tax revenue the purposes for which the revenues were spent, first applying to expenditures made on January 1, 2016.

j. Modify various statutory references that refer to tourism promotion and development to refer instead to tourism promotion and tourism development.

3. PUBLIC FIRE PROTECTION CHARGES

Joint Finance: Specify that a public or municipal utility could charge the following persons for only one parcel of property, when billing for public fire protections services that are not included in general service charges: (a) persons owning two or more adjacent parcels; or (b) persons owning two or more parcels that are divided only by a roadway or a brook, creek, river, or stream.

Other Credits

Descriptions of any budget provisions related to the earned income tax credit, veterans and surviving spouses property tax credit, jobs tax credit, enterprise zone jobs tax credit, business development credit, woody biomass harvesting and processing credit, claim of right credit, and cigarette and tobacco products tax refunds are provided under "General Fund Taxes."

SPORTS AND ENTERTAINMENT DISTRICT

Budget Change Item

1. SPORTS AND ENTERTAINMENT DISTRICT (MILWAUKEE BUCKS ARENA FACILITY)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$220,000,000	- $220,000,000	$0
GPR	$25,234,500	- $25,234,500	$0
GPR-Lapse	22,434,500	- 22,434,500	0
Net GPR	$2,800,000	- $2,800,000	$0

Governor: Authorize the Department of Administration (DOA) to issue $220,000,000 in GPR-supported, state appropriation bonds to make a grant to assist a sports and entertainment district in the construction of sports and entertainment facilities used principally for professional basketball, including the acquisition or lease of property. The bill would also provide a net amount of $2,800,000 GPR in 2016-17 from a newly-created, annual debt service appropriation to reflect an estimate of the initial debt service payment on the bonds.

State Appropriation Bonds

As stated in the State of Wisconsin Continuing Disclosure Annual Report, December 26, 2014, appropriation bonds are not considered public debt of the state and thus are not subject to the state's constitutional debt limit or any limitations relating to the issuance of public debt. The disclosure also indicates that the payment of principal, and premiums, if any, and interest on the bonds are subject to annual appropriation. That is, payments due in a state fiscal year are made only to the extent that sufficient amounts are appropriated by the Legislature. The state would not be legally obligated to appropriate the amounts for payment of debt service on the bonds, and if it does not do so, it would incur no liability to the owners of the bonds. The payment of the bonds would be at the discretion of the Legislature.

However, under current law, recognizing its moral obligation to do so, the Legislature expresses its expectation and aspiration that it shall make timely appropriations from moneys in the general fund that are sufficient to pay the principal and interest due with respect to any appropriation obligations in any year. This moral obligation pledge would apply to the $220,000,000 in appropriation bonds that would be authorized to assist a sports and entertainment district. The state has issued appropriation bonds in the past to refinance the state's pension and accumulated sick leave conversion liabilities and to repurchase the state's tobacco settlement revenues, which had earlier been securitized to a third party issuer.

Specify the following related to the appropriation obligation bonds issued by DOA:

a. the sum of appropriation obligations issued for the facilities may not exceed $220,000,000, excluding any amounts representing accreted interest or original issue discount;

b. no appropriation obligations may be issued unless DOA determines that the sports and entertainment district has secured additional funding for the project in an amount at least equal to $300,000,000; and

c. if the appropriation obligations are issued and if, for any reason, the facility that is constructed with funds from the grant is not used principally for professional basketball, the state would retain an ownership interest in the facility equal to the amount of the state's grant.

Require that the state assistance (appropriation bond proceeds) be in the form of a grant to the sports and entertainment district. Create an all monies received appropriation for receipt of the appropriation obligation proceeds and payment of the grant to the sports and entertainment district and an annual, GPR debt service appropriation to make annual debt service payments on the bonds.

Provide $25,234,500 GPR in 2016-17 to establish an appropriation level to fund principal and interest payments on the appropriation bonds. Estimate GPR-lapse amounts of $22,434,500 in 2016-17 from the annual debt service appropriation to reflect an estimate of the initial 2016-17 debt service payment amount of $2,800,000 GPR that would actually be made. Beyond the 2015-17 biennium, GPR debt service costs associated with the $220,000,000 in appropriation bonds would depend on the amortization structure and tax status of the bonds and the corresponding interest rates.

While the bonding transaction for the proposed sports and entertainment district arena facility has not yet been structured, DOA indicates that it would likely include components similar to existing appropriation obligation bond issues and the funding in the bill reflects those components. As a result, a portion of the GPR-Lapse amount is associated with the legal agreements that govern the appropriation bonds, which could require that the annual debt service appropriation for repayment of the bonds equal the maximum possible payment that could be made in each succeeding year. Because there could be large principal payments scheduled in 2017-18, the GPR appropriation in 2016-17 would be set at a higher level than debt service in that year, and much of the appropriated funds would not actually be expended in 2016-17 and would lapse (revert) to the general fund.

Legislative Findings. Specify that the Legislature finds and determines that sports and entertainment facilities encourage economic development and tourism in this state by reducing unemployment and by bringing needed capital into the state for the benefit and welfare of people throughout the state and that it is therefore in the public interest and will serve a public purpose, and it is the public policy of this state, to assist a sports and entertainment district in the construction of sports and entertainment facilities.

Creation of the Local Sports and Entertainment District

Create a sports and entertainment special purpose district (District) for Milwaukee County and the City of Milwaukee.

Public Purpose. Specify that the Legislature determines that the provision of assistance by state agencies to a District and any appropriation of funds to a District would serve a statewide public purpose by assisting the development of sports and entertainment facilities in the state for providing recreation, by encouraging economic development and tourism, by reducing unemployment, and by bringing needed capital into the state for the benefit and welfare of people throughout the state.

Specify that the Legislature determines that a District would serve a public purpose in political subdivisions in which it is located by providing recreation, by encouraging economic development and tourism, by reducing unemployment, and by bringing needed capital into the District's jurisdiction for the benefit of people in the District's jurisdiction.

Organization of the District. Specify that the District: (a) is a local governmental unit; (b) is a body corporate and politic; (c) is separate and distinct from, and independent of, the state; (d) is separate and distinct from, and independent of, the local units within its jurisdiction ("local unit" would be defined by referencing the description under "Jurisdiction of the District," which currently means only Milwaukee County and the City of Milwaukee); (e) has the powers enumerated in statutes for the District; and (f) must be named by the District board and have a name that includes "Sports and Entertainment District."

Jurisdiction of the District. Specify that a District's jurisdiction would be any county with: (a) a population of more than 500,000; and (b) a first class city that is located wholly or predominantly in that county, provided that the city includes the principal site of a basketball arena that is home to a professional basketball team that is a member of a league of professional basketball teams with home arenas in at least 10 states, and that is approved by that league for use as a home arena for that basketball team. Specify that once the District is created, the District's jurisdiction would remain fixed even if population figures for the county decline below 500,000. Currently, only Milwaukee County, the City of Milwaukee, and the Milwaukee Bucks team in the National Basketball Association meet this description.

District Board. Specify that the District would be governed by its board. The board would consist of at least nine members and could consist of up to eleven members as follows:

a. nine members appointed by the Governor, subject to confirmation by the Senate;

b. one member appointed by the county executive of a county making up the District's jurisdiction if the county provides funding to construct, equip, or improve sports and entertainment facilities as provided under the bill, with the appointment subject to confirmation by a majority of the members-elect of the county board; and

c. one member appointed by the mayor of a first class city within the District's jurisdiction if the city provides funding to construct, equip, or improve sports and entertainment facilities as provided under the bill, with the appointment subject to confirmation by a majority of the members-elect of the city's common council.

Require members of the District board to be Wisconsin residents who have executive and managerial experience. Specify that no member may hold elective public office or be a candidate for elective public office. Provide that no member of the District board may receive

compensation for performing his or her duties. Allow District board members to be reimbursed for actual and necessary expenses incurred in the performance of their duties. Specify that upon confirmation of a board member appointed by a county executive or mayor, the appointing authority would have to certify the member to the Secretary of the Department of Administration.

Require the Governor to designate one member as chairperson of the District board. Specify that upon the appointment and qualification of a majority of the members of the District board, the District board may exercise the powers and duties of the board. Provide that a majority of the current membership of the District board would constitute a quorum to do business. Allow the District to take action based on the affirmative vote of a majority of those members of the District board who are present at a meeting of the board.

District Board Terms of Office. Specify that members appointed by the Governor and confirmed by the Senate would serve staggered, seven-year terms and that such members would hold their positions on the board until a successor is appointed by the Governor and confirmed by the Senate. Specify that the Governor's initial appointees could take their seats immediately upon appointment and qualification and would have terms that expire as follows: (a) three on July 1, 2020; (b) three on July 1, 2021; and (c) three on July 1, 2022. Allow the Governor to select which initial members would have each of these expiration dates for their terms.

Specify that not later than 90 days after the effective date of the bill, the Governor would be required to notify the Senate of his or her initial appointments to the District board. Require that no later than 30 days after this notification, the Senate would be required to confirm or reject the Governor's appointees.

Specify that any person appointed by the county executive and confirmed by the county board would serve a seven-year term, except that the initial term of the first member so appointed would be five years. Provide that any person appointed by the mayor and confirmed by the common council would serve a seven-year term, except that the initial term of the first member so appointed would be six years.

Powers of the District. Specify that the District would not have the authority to issue bonds or levy or impose a tax. Except for these restrictions, specify that the District would have all of the powers necessary or convenient to carry out the purposes and provisions of the law creating the District. In addition, grant the District specific powers to do the following:

a. Adopt bylaws to govern the District's activities;

b. Sue and be sued in its own name, plead, and be impleaded;

c. Maintain an office;

d. In connection with sports and entertainment facilities:

(1) Acquire, construct, equip, maintain, improve, operate, and manage the sports and entertainment facilities as a revenue-generating enterprise, or engage other persons to do these things.

(2) Acquire; lease, as lessor or lessee; use; transfer; or accept transfers of property, and assume debt payments and outstanding obligations for the property acquired or accepted.

(3) Improve, maintain, and repair property.

(4) Enter into contracts, subject to such standards as may be established by the District board. The District board may award any such contract for any combination or division of work it designates and may consider any factors in awarding a contract, including price, time for completion of work, and qualifications and past performance of a contractor.

(5) Sell or otherwise dispose of unneeded or unwanted property.

e. Employ personnel, and fix and regulate their compensation; and provide, either directly or subject to an intergovernmental cooperation agreement with a municipality as a participant in a benefit plan of another governmental entity, any employee benefits, including an employee pension plan.

f. Purchase insurance, establish and administer a plan of self-insurance or, subject to an intergovernmental cooperation agreement with another governmental entity, participate in a governmental plan of insurance or self-insurance.

g. Mortgage, pledge, or otherwise encumber the District's property or funds.

h. Maintain funds and invest the funds in any investment that the District board considers appropriate.

i. Promote, advertise, and publicize its sports and entertainment facilities and related activities.

j. Set standards governing the use of, and the conduct within, its sports and entertainment facilities in order to promote public safety and convenience and to maintain order.

k. Accept gifts, loans, and other aid.

l. Adopt and alter an official seal.

Requirements of the District. Require the District board to maintain a special fund into which it deposits all state revenue obligation proceeds it receives in the form of grant from the state. Specify that moneys in the fund may only be expended for the construction of sports and entertainment facilities, including the acquisition or lease of property. Specify that the District may not deposit any other moneys into the special fund, except that the District would have to credit all earnings on the revenues in the special fund to the special fund. Prohibit any money in the special fund from being expended for the purpose of operating or maintaining sports and entertainment facilities or a basketball arena.

Require the District to adopt a calendar year as its fiscal year for accounting purposes and annually prepare a budget for the District. Specify that rates and other charges received by the District would have to be used for the general expenses and capital expenditures of the District. Require the District to maintain an accounting system in accordance with generally accepted accounting principles and have its financial statements audited annually by an independent

certified public accountant.

Specify that all moneys received by the District, whether from the state, from the first class city or county that is part of the District's jurisdiction, or from any other source, are trust funds to be held and applied solely as provided in the law establishing the District. Require any officer with whom, or any bank or trust company with which, those moneys are deposited to act as trustee of those moneys and to hold and apply the moneys for the purposes of the District.

Dissolution of the District. Prohibit the District from dissolving and winding up its affairs unless the appropriation obligations issued by the state related to the District have been retired.

Lease with a Basketball Team. Specify that if the District board enters into a lease with a professional basketball team for the use of the sports and entertainment facilities, the lease must include a provision that states that if the team breaks or otherwise fails to fulfill its obligations under the lease, the professional basketball team would have to pay the state an amount sufficient to retire the state appropriation obligations issued for the sports and entertainment facility.

Powers Granted to Local Units of Government. Define a local unit as the first class city or the county included in the District's jurisdiction. Specify that the city or county, in addition to any powers that it may otherwise have, may do any of the following: (a) make grants or loans to the District upon terms that the city or county considers appropriate; (b) expend public funds to subsidize the District; (c) borrow money, as allowed by law, for sports and entertainment facilities or to fund grants, loans, or subsidies to the District; and (d) lease or transfer property to the District upon terms that the city or county considers appropriate.

Definitions. Define the following terms relative to the District:

a. "basketball arena" would mean an arena that is principally used as the home arena of a professional basketball team that is a member of a league of professional basketball teams with home arenas in at least 10 states; and

b. "sports and entertainment facilities" would mean property, tangible or intangible, owned in whole or in substantial part, operated, or leased by the District that is principally used for professional basketball, including spectator seating, practice facilities, parking lots and structures, garages, restaurants, concession facilities, entertainment facilities, facilities for the display or sale of memorabilia, transportation facilities, and other functionally related or auxiliary facilities or structures.

Other Provisions. Include the District in the definition of a municipality for the purposes of intergovernmental cooperation agreements, which would allow the District to enter into such agreements. Exclude the District board from the definition of "governing board" in the municipal statutes governing the type of investments in which local governing boards may invest their revenues. As described earlier, the District board would be given specific authority to invest District funds in any investment the board considers appropriate.

Tax Exemptions

Income Tax Exemption of Bond Interest. Create state tax exemptions for the interest received on the appropriation bonds issued by the state to assist a sports and entertainment

district, or any debt obligations issued by a city or county identified in the jurisdiction of a sports and entertainment district to assist such a district. Specify that the exemption of interest on these obligations would extend to state income taxes on individuals, corporations, tax-option corporations, and insurance companies.

District Income Tax Exemption. Specify that the income of a sports and entertainment district would be exempt from the state corporate income and franchise tax.

Property Tax Exemption. Current law [s. 70.11(36) of the statutes] provides a property tax exemption for property consisting of or contained in a sports and entertainment home stadium of a professional athletic team that is a member of a league that contains teams with home stadiums in other states. The exemption includes parking lots, garages, restaurants, parks, concession facilities, entertainment facilities, transportation facilities, and other functionally related or auxiliary facilities or structures.

Sales Tax Exemption. Current law [s. 77.54(41) of the statutes] provides an exemption from the state sales tax for the sales of building materials, equipment, and supplies used solely in the construction, renovation, or development of a sports stadium that would qualify for the current law property tax exemption.

Bradley Center Sports and Entertainment Corporation

Allow the Bradley Center Sports and Entertainment Corporation to sell, exchange, or otherwise divest itself of the Bradley Center to a sports and entertainment district created under the bill. Also, allow the Corporation to dissolve and wind up its affairs, upon the sale, exchange, or other divestiture of the Bradley Center. Under current law, the Corporation is prohibited from selling, exchanging, or otherwise divesting itself of the Bradley Center and can only dissolve and wind up its affairs if ordered by the Legislature through legislation.

The Bradley Center Sports and Entertainment Corporation was created as a public body corporate and politic under Wisconsin statute. The Corporation's board members are appointed by the Governor. The Corporation was established to receive the Bradley Center, which is located in the City of Milwaukee, including any related or auxiliary structure or facility. The Corporation's duties include owning and operating the Bradley Center for the benefit of the citizens of this state and adequately providing for the long-term maintenance of the facility. The Bradley Center serves as the current home arena of the Milwaukee Bucks.

The state does not provide ongoing funding to the Bradley Center. However, the state has provided $10 million in general obligation bond proceeds as grants to the Corporation to assist with renovations and improvements at the facility (authorized under 2009 Act 28 and 2011 Act 32). The bonds for these projects were issued as 10- and 20-year maturities.

Joint Finance: Delete provision.

STATE FAIR PARK

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$6,952,400	$6,649,200	$6,649,200	$0	0.0%	- $303,200	- 4.4%
PR	38,207,000	41,682,500	41,682,500	0	0.0	3,475,500	9.1
TOTAL	$45,159,400	$48,331,700	$48,331,700	$0	0.0%	$3,172,300	7.0%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2014-15 Base
PR	48.00	46.00	48.00	2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$565,400

Governor/Joint Finance: Provide $282,700 annually for standard adjustments to the agency base budget, including: (a) $276,500 annually for full funding of salaries and fringe benefits for continuing positions; (b) $209,100 for increased staffing costs due to overtime; and (c) -$202,900 for removal of non-continuing elements from the agency base. Non-continuing amounts were one-time increases budgeted in 2013-15 for limited-term employees (LTEs) to staff the Wisconsin State Fair and other large events at the Park.

2. STATE FAIR PARK OPERATIONS

PR	$2,873,600

Governor/Joint Finance: Provide additional expenditure authority of $1,386,800 PR in 2015-16 and $1,486,800 PR in 2016-17 for State Fair Park operations. Of the recommended amounts, $518,100 each year would be for costs of additional LTE staffing, while $868,700 in 2015-16 and $968,700 in 2016-17 would be for additional costs associated with: (a) the State Fair midway and other entertainment acts during the State Fair; (b) costs for buildings and grounds maintenance; (c) utility costs; (d) agricultural show awards; and (e) advertising.

State Fair Park operations are funded by a continuing appropriation consisting of revenues from such sources as admissions, parking, facilities rentals and a percentage of sales made by vendors and concessionaires at Park events, primarily the annual Wisconsin State Fair. Under the continuing appropriation, the Park may expend all monies it receives, subject to approval by the Department of Administration (DOA). State Fair Park operations expenditures in 2013-14 were $16.5 million, and total expenditures were $21.1 million, including debt service and certain one-time facilities and equipment upgrades. Total revenues in 2013-14 were $22.8 million. Under the bill, State Fair Park's PR-supported operations, debt service and related costs would be budgeted at $21.0 million in 2015-16 and $20.7 million in 2016-17.

3. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- 1.00	1.00	0.00

Governor: Delete 1.0 human resources position from State Fair Park general operations for a shared agency services pilot program under DOA. Funding associated with the position ($110,700 annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

4. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- 1.00	1.00	0.00

Governor: Require that all information technology services for State Fair Park be provided by DOA.

Delete 1.0 position from State Fair Park general operations to transfer responsibility for all information technology services to DOA. Funding associated with the position ($106,100 annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees

would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of State Fair Park related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

5. DEBT SERVICE REESTIMATES [LFB Paper 175]

GPR	- $303,200
PR	36,500
Total	- $266,700

Governor/Joint Finance: Reestimate budgeted principal and interest payments on State Fair Park facilities by -$114,400 GPR in 2015-16 and by -$188,800 GPR in 2016-17. Further, reestimate PR-supported principal and interest payments by $247,000 in 2015-16 and by -$210,500 in 2016-17.

GPR debt service is associated with bonds issued to fund primarily agricultural and other exhibition facilities at State Fair Park, as well as various land acquisitions, certain infrastructure projects, and the Tommy G. Thompson Youth Center. Total GPR debt service payments for State Fair Park are budgeted at $3.4 million in 2015-16 and $3.3 million in 2016-17. State Fair Park's remaining PR-supported debt service is primarily associated with the Milwaukee Mile racetrack and grandstand, the Wisconsin Exposition Center, and other general facilities improvements. PR-supported debt service would be budgeted at $4.2 million in 2015-16 and at $3.7 million in 2016-17.

6. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that State Fair Park lapse $6,700 to the general fund from the unencumbered balances of PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

STATE TREASURER

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$1,099,400	$346,600	$346,600	$0	0.0%	- $752,800	- 68.5%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
PR	4.00	1.00	1.00	0.00	- 3.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
PR	- $339,000	- 2.00

Governor/Joint Finance: Provide standard budget adjustments to base totaling -$169,500 and -2.0 positions annually. Adjustments are for: (a) removal of noncontinuing elements from the base (-$133,900 and -2.0 positions annually); (b) full funding of continuing position salaries and fringe benefits ($51,700 annually); and (c) full funding of lease and directed moves costs (-$87,300 annually).

2. ELIMINATE DEPUTY STATE TREASURER

	Funding	Positions
PR	- $413,800	- 1.00

Governor/Joint Finance: Eliminate the position of Deputy State Treasurer. In addition, delete $206,900 and 1.0 position annually associated with the position. Funding reductions would be from: (a) salaries ($78,800 annually); (b) fringe benefits ($36,400 annually); and (c) supplies and services ($91,700 annually).

3. UNCLAIMED PROPERTY UNENCUMBERED FUNDS REVERSION

Governor/Joint Finance: Specify that the unencumbered balance of the administrative

expenses PR appropriation under the Office of State Treasurer at the end of each fiscal year must revert to the claims PR appropriation of the unclaimed property program under the Department of Revenue. Both appropriations are funded from unclaimed property program revenue. Currently, statutory language for the administrative expenses appropriation of the State Treasurer does not address year-end unencumbered revenue balances.

4. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

Governor: Require that all information technology services for the Office be provided by the Department of Administration (DOA).

On the effective date of the bill, specify that the assets and liabilities of the Office related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred to DOA under the provision.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

SUPREME COURT

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$29,983,200	$31,822,500	$31,219,300	- $603,200	- 1.9%	$1,236,100	4.1%
FED	1,800,000	1,871,400	1,871,400	0	0.0	71,400	4.0
PR	29,792,800	24,357,600	24,357,600	0	0.0	- 5,435,200	- 18.2
SEG	1,481,400	1,527,100	1,527,100	0	0.0	45,700	3.1
TOTAL	$63,057,400	$59,578,600	$58,975,400	- $603,200	- 1.0%	- $4,082,000	- 6.5%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	114.50	116.50	115.50	- 1.00	1.00
FED	5.00	5.00	5.00	0.00	0.00
PR	96.25	96.25	96.25	0.00	0.00
SEG	5.00	5.00	5.00	0.00	0.00
TOTAL	220.75	222.75	221.75	- 1.00	1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$1,236,100
FED	71,400
PR	1,200,600
SEG	45,700
Total	$2,553,800

Governor/Joint Finance: Provide adjustments to the base budget for: (a) full funding of continuing position salaries and fringe benefits ($550,200 GPR, $35,500 FED, $525,100 PR, and $19,300 SEG annually); and (b) full funding of lease and directed moves costs ($50,100 GPR, $200 FED, $64,200 PR, and $3,000 SEG in 2015-16 and $85,600 GPR, $200 FED, $86,200 PR, and $4,100 SEG in 2015-16).

2. CCAP PROGRAM REVENUE REESTIMATE

PR	- $6,635,800

Governor/Joint Finance: Decrease the Circuit Court Automation Program (CCAP) continuing program revenue appropriation to reflect recent expenditures by $3,312,100 in 2015-

16 and $3,323,700 in 2016-17. Base funding for CCAP is $10,001,100 annually, and total expenditures in 2013-14 were $7,556,300 and are estimated to be $8.4 million in 2014-15.

3. TRANSFER OF JUDICIAL COMMISSION [LFB Paper 405]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$603,200	2.00	- $603,200	- 2.00	$0	0.00

Governor: Transfer funding and position authority associated with the Judicial Commission to the Supreme Court. Funding would include $301,300 in 2015-16 and $301,900 in 2016-17 and 2.0 positions annually. Rename the Supreme Court's Bar Examiners and Responsibility program to be Bar Examiners and Responsibility; Judicial Commission, and create a new biennial appropriation for general program operations of the Judicial Commission and for payments related to contractual agreements for investigations, prosecutions, or both. Under current law, the Judicial Commission general program operations and the contractual services appropriations are budgeted separately. The general program operations appropriation is an annual appropriation, while the contractual services appropriation is biennial.

The Judicial Commission investigates and prosecutes any possible misconduct or permanent disability of Wisconsin judges or court commissioners. The Commission includes nine members: (a) five nonlawyers nominated by the Governor with the advice and consent of the Senate: (b) one Circuit Court judge, one Court of Appeals judge, and two members of the State Bar of Wisconsin, who are not judges or court commissioners, appointed by the Supreme Court. The Commission elects one of its members as chairperson.

Joint Finance: Delete provision. [See also "Judicial Commission."]

4. CONSOLIDATE THE LAW LIBRARY WITH THE DIRECTOR OF STATE COURTS [LFB Paper 620]

Governor/Joint Finance: Consolidate the Director of State Court's and the state Law Library's general program operations appropriations and convert the appropriations from an annual to a biennial appropriation. The provision would also transfer the Law Library's library collections and services program revenue appropriation to the Director of State Courts. Delete the Director of State Courts' judicial planning and research appropriation.

Under current law, the Supreme Court operates four general programs: (a) Supreme Court proceedings; (b) Director of State Courts; (c) Bar Examiners and Responsibility; and (d) Law Library. The bill would consolidate the appropriations of the Director of State Courts and Law Library.

5. DELETE THE UNIFORM CHART OF ACCOUNTS [LFB Paper 621]

Governor: Delete the current law provision authorizing the Director of State Courts to create a uniform chart of accounts that each county is required to use for recording all financial transactions relating to the operation of circuit courts and allowing the Director of State Courts to audit the submitted information. Delete the requirement that the Director of State Courts annually report to the Governor and the Legislature regarding financial data gathered from the uniform chart of accounts.

The uniform chart of accounts provision was created under the 2007-09 biennial budget act in order to address inconsistencies in county reporting of cost data related to circuit court operations.

Joint Finance: Delete provision and maintain current law related to the uniform chart of accounts.

6. JUDICIAL COMPENSATION COMMISSION [LFB Paper 430]

Governor: Create a Judicial Compensation Commission consisting of members appointed by the Supreme Court. [The bill does not specify the membership number or composition of the Commission.] Members of the Judicial Compensation Commission must be reimbursed for expenses necessarily incurred as members of the Commission. The Judicial Compensation Commission would biennially review the salaries of Supreme Court justices, Court of Appeals judges, and circuit court judges. The Commission would submit a written report to the Governor and the Joint Committee on Employment Relations (JCOER) no later than December 1st of each even-numbered year. The report would include recommendations on salaries of the justices and judges. Under the bill, the Director of State Courts would provide staffing and support services to the new commission. Specify that judicial salaries established in the biennial compensation plan approved by JCOER would be based on the Commission's report.

Repeal the current law provision specifying that the salary of the Chief Justice shall be different than the salaries established for the associate justices of the Supreme Court. The current salary of the Supreme Court Justices is $147,403, and the Chief Justice is paid $155,403.

Joint Finance: Delete the creation of a Judicial Compensation Commission, but retain provision eliminating the statute specifying that the salary of the Chief Justice shall be different than the salaries established for the associate justices of the Supreme Court.

7. FUND JUDICIAL COUNCIL [LFB Paper 410]

Joint Finance: Delete the Governor's recommendation to eliminate the Judicial Council. Maintain the Council as an independent agency. Convert the current staff position (split 0.5 GPR and 0.5 PR position) to a 1.0 PR position funded from the Judicial Council's continuing program revenue appropriation with monies from the Supreme Court's Director of State Courts and State Law Library programs. [See "Judicial Council"]

8. STATEWIDE PROBLEM-SOLVING COURTS COORDINATOR

	Position
GPR	1.00

Joint Finance: Provide 1.0 position annually in the consolidated Director of State Courts and Law Library appropriation for a statewide coordinator for problem-solving courts to support the increasing number of problem-solving courts in the state. Direct the Courts to fund the position utilizing existing resources.

9. DIRECTOR OF STATE COURTS OPERATING UNDER THE DIRECTION OF THE SUPREME COURT

Joint Finance: Specify in the statutes that the Director of State Courts (DSC) operates "as directed by the Supreme Court," with regards to the DSCs' general program operations appropriation and the Circuit Courts' circuit court costs appropriation.

Under current law, DSC may make decisions related to DSC's general program operations and circuit court support payments. The bill would specify that the DSC's decisions are made at the direction of the Supreme Court.

10. CCAP DEFINITION AND REMOVAL OF CERTAIN INFORMATION FROM WCCA

Joint Finance: Create statutory language defining the Courts' Consolidated Court Automation programs as follows:

"Wisconsin Circuit Court Access Internet site" means the Internet site of the consolidated court automation programs, which is the statewide electronic circuit court case management system and maintained by the director of state courts.

Specify that the Director of State Courts must remove from the Wisconsin Circuit Court Access Internet site all information relating to a criminal case if all of the following have occurred: (a) all charges have been dismissed by the court prior to trial; (b) all dismissed charges were offenses for which the maximum period of imprisonment was six years or less; (c) none of the dismissed changes was for a violent offense as defined in s. 301.048(2)(bm) of the statutes; (d) an order having been issued by the court having jurisdiction to remove such information; and (e) the dismissed charges were filed when the person charged was under the age of 25.

Specify that the change would apply to judgments or orders entered before and after the effective date if information regarding the judgement or order is available on the Wisconsin Circuit Court Access Internet site on the effective date.

TOURISM

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$10,614,600	$10,528,200	$11,028,200	$500,000	4.7%	$413,600	3.9%
FED	1,519,800	1,537,800	1,537,800	0	0.0	18,000	1.2
PR	19,013,400	19,039,700	19,231,800	192,100	1.0	218,400	1.1
SEG	4,602,000	3,207,000	3,207,000	0	0.0	- 1,395,000	- 30.3
TOTAL	$35,749,800	$34,312,700	$35,004,800	$692,100	2.0%	- $745,000	- 2.1%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2014-15 Base
GPR	30.00	26.00	30.00	4.00	0.00
FED	1.00	0.00	1.00	1.00	0.00
PR	1.25	8.00	4.00	- 4.00	2.75
SEG	2.75	0.00	0.00	0.00	- 2.75
TOTAL	35.00	34.00	35.00	1.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $86,400
FED	18,000
PR	- 4,400
SEG	- 4,600
Total	- $77,400

Governor/Joint Finance: Provide adjustments to the agency base budget for the following: (a) full funding of salaries and fringe benefit costs of continuing positions (-$46,500 GPR, $9,800 FED, -$1,500 PR, and -$4,500 SEG annually); (b) overtime costs ($600 PR and $2,000 SEG annually); (c) differential pay for night and weekend hours ($100 SEG annually); and (d) full funding of lease and directed moves costs ($3,300 GPR, -$800 FED, -$1,300 PR and $100 SEG annually).

2. OFFICE OF MARKETING [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$1,427,700	8.00	- $757,900	- 4.00	$669,800	4.00

Governor: Provide $734,700 in 2015-16 and $693,000 beginning in 2016-17 with 8.0 positions to staff an Office of Marketing in Tourism. Under current law, Tourism is to establish and maintain a marketing clearinghouse to provide marketing services to all state agencies. The statutes authorize Tourism to enter into agreements with agencies to execute specific projects or provide specific products, and the Department may also provide consultation on marketing plans, market research, public relations, and advertising. Tourism is allowed to charge agencies for these services, and an appropriation exists to receive these chargebacks.

Currently, Tourism occasionally assists state agencies in developing marketing initiatives or producing certain communications, although the clearinghouse structure has not been widely used and no billing policy has been established. The appropriation has not been used since its creation under 1995 Act 27. The bill would provide funding and positions in the existing Tourism appropriation. One-time funding of $41,700 would be provided in 2015-16 for initial costs of establishing the office.

In conjunction with funding and positions provided to Tourism, the bill would delete 29.8 positions in other, mostly larger, state agencies. Total funding of $1,871,800 annually associated with 27.8 of the deleted positions would not be reduced, but instead would be reallocated within the agency budget from salary and fringe benefit costs to supplies and services; reallocated funding is intended to be used to pay Tourism or other vendors for marketing and communications services. The exception to this treatment would be for 2.0 SEG positions in the Department of Natural Resources (DNR), for which the bill would reduce associated funding by $179,900 annually.

Joint Finance: Modify the Governor's recommendation by deleting 4.0 positions under the marketing clearinghouse appropriation, and reduce funding by $389,400 in 2015-16 and by $368,500 in 2016-17. The Office of Marketing would be provided 4.0 positions with $345,300 in 2015-16 and $324,500 beginning in 2016-17.

In addition, delete all funding associated with 29.8 positions in other agencies. Total annual funding reductions would be $2,005,900, including: (a) $179,900 under the bill as introduced for 2.0 DNR positions; and (b) $1,826,000 for the remaining 27.8 positions, as modified from the Governor's recommendation to reflect a reallocation requested by the Department of Transportation. The following table shows, by fund source and agency, the positions and funding to be deleted. Additional information can be found in each agency's summary.

Office of Marketing -- Agency Reductions

Agency by Fund	Positions	Annual Funding Deleted
GPR		
Agriculture, Trade and Consumer Protection	1.80	$112,000
Corrections	3.00	165,200
Educational Communications Board	1.00	66,700
Revenue	1.00	62,400
Subtotal	6.80	$406,300
FED		
Children and Families	1.00	$62,800
Natural Resources	2.00	157,400
Veterans Affairs	1.00	71,300
Transportation	1.65	103,400
Workforce Development	2.00	52,100
Subtotal	7.65	$447,000
PR		
Administration	1.00	$93,900
Safety and Professional Services	0.50	23,800
Subtotal	1.50	$117,700
SEG		
Natural Resources	7.00	$624,400
Transportation	6.85	410,500
Subtotal	13.85	$1,034,900
Total	29.80	$2,005,900

Note: Amounts includes $179,900 SEG recommended for deletion by the Governor, associated with 2.0 DNR positions, as well as funding initially recommended to be reallocated.

3. TRANSFER KICKAPOO VALLEY RESERVE TO DEPARTMENT OF NATURAL RESOURCES [LFB Paper 625]

	Funding	Positions
PR	- $447,000	- 1.25
SEG	- 1,390,400	- 2.75
Total	- $1,837,400	- 4.00

Governor: Transfer the administrative attachment of the Kickapoo Valley Reserve (KVR) and the Kickapoo Reserve Management Board (KRMB) from Tourism to DNR. Specify the transfer takes effect on the day after the budget bill's publication date. Transfer KVR appropriations, which are budgeted as a separate program under Tourism, to DNR. Delete the following funding and positions from Tourism: (a) $695,200 SEG annually from the forestry account of the conservation fund, with 2.75 positions; and (b) $223,500 PR with 1.25 positions.

In addition to the funding and position transfers, provide standard directives: (a) transferring all KVR assets, liabilities, tangible personal property and current contracts from

Tourism to DNR; and (b) transferring incumbent employees to DNR, and preserving all rights and statuses employees may have earned prior to transfer.

Joint Finance: Delete provision. The Reserve and the KRMB would remain administratively attached to Tourism. However, specify the KVR/KRMB is to be budgeted as a separate agency, rather than as a program under Tourism. Appropriations, funding and positions authorized for the KRMB would be created under s. 20.385 (1) of the statutes, instead of restored to Tourism under s. 20.380 (2) of the statutes. [See "Kickapoo Reserve Management Board."]

Also, specify personnel and biennial budget requests of the KRMB are to be processed and forwarded by Tourism without change, except as requested or concurred in by the KRMB. Under the provision, Tourism would remain responsible for other limited administrative functions of the KRMB, such as accounting, payroll, and related management functions.

4. REPEAL MARKETING EARMARKS [LFB Paper 626]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $950,000	$950,000	$0

Governor: Repeal the following marketing-related expenditures Tourism is required to make for specific organizations or purposes:

- At least $125,000 in each fiscal year for marketing of sporting activities and events;

- At least $25,000 in each fiscal year for state sponsorship of, and advertising during, broadcasts of the Milwaukee Symphony;

- At least $50,000 in each fiscal biennium to promote multicultural events in Wisconsin;

- At least $200,000 in each fiscal biennium for grants to the Milwaukee Public Museum for promotion of Museum programs and exhibits; and

- At least $200,000 in each fiscal year for grants to Native American Tourism of Wisconsin.

In addition, delete $475,000 annually from Tourism's marketing appropriation supported by tribal gaming PR. The funding that would be deleted corresponds with the amounts Tourism typically expends annually, as biennial expenditure requirements customarily are split into equal parts for each fiscal year.

Joint Finance: Modify the Governor's recommendation to repeal the required marketing expenditures effective July 1, 2017, and restore $475,000 tribal gaming PR each year.

Additionally, require Tourism to conduct a study of the statewide benefits of the required

marketing expenditures, as well as possible alternative expenditures that could be made with the same funding. Require Tourism to report its findings to the Joint Committee on Finance by January 1, 2017.

5. FRANK LLOYD WRIGHT PROMOTIONS

GPR	$500,000

Joint Finance: Require Tourism to expend $500,000 in the 2015-17 biennium only to promote, advertise and publicize buildings in Wisconsin designed or constructed by Frank Lloyd Wright that are open to the public. Provide $500,000 GPR in 2015-16 in Tourism's biennial general marketing appropriation for Wright promotions.

Under a related provision, the Department of Transportation would be required to create a Frank Lloyd Wright Heritage Trail, located between Richland Center and the point where Interstate 94 enters Wisconsin in Kenosha County. Transportation would be required to erect markers at each end of the route, and for at least the following destinations: (a) the Frank Lloyd Wright Research Tower at the headquarters of S.C. Johnson and Son, Inc., in the City of Racine; (b) Wingspread in the Village of Wind Point; (c) Monona Terrace in the City of Madison; (d) the First Unitarian Society Meeting House in the Village of Shorewood Hills; (e) Taliesin and the Frank Lloyd Wright Visitor Center in Iowa County; and (f) the Richland Museum and Visitors Center in the City of Richland Center. Transportation also could erect markers for other Wright-designed or -constructed sites within 15 miles of the route. [See "Transportation -- Departmentwide."]

6. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- 3.00	3.00	0.00
FED	- 1.00	1.00	0.00
Total	- 4.00	4.00	0.00

Governor: Require that all information technology services for Tourism be provided by the Department of Administration (DOA).

Delete 4.0 positions from the following appropriations to transfer responsibility for all information technology services to DOA: (a) tourism promotion general operations (3.0 GPR positions); and (b) Arts Board general operations (1.0 FED position). Funding associated with the positions ($203,900 GPR and $77,400 FED annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of Tourism related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal

property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance: Delete provision. [See "Administration--Transfers."]

7. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- 1.00	1.00	0.00

Governor: Delete 1.0 accountant position from tourism promotion general operations for a shared agency services pilot program under DOA. Funding associated with the position ($97,700 GPR annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

8. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that Tourism lapse $10,400 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

TRANSPORTATION

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$272,561,200	$229,959,700	$229,959,700	$0	0.0%	- $42,601,500	- 15.6%
FED	1,680,938,800	1,655,002,300	1,655,002,300	0	0.0	- 25,936,500	- 1.5
PR	11,352,000	12,094,800	12,094,800	0	0.0	742,800	6.5
SEG	3,371,446,000	3,163,716,700	3,314,085,300	150,368,600	4.8	- 57,360,700	- 1.7
SEG-L	215,772,200	215,772,200	215,772,200	0	0.0	0	0.0
SEG-S	481,033,600	1,094,034,600	246,421,200	- 847,613,400	- 77.5	- 234,612,400	- 48.8
TOTAL	$6,033,103,800	$6,370,580,300	$5,673,335,500	- $697,244,800	- 10.9%	- $359,768,300	- 6.0%
BR		$1,300,213,600	$850,213,600	- $450,000,000	- 34.6%		

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
FED	833.52	825.97	824.87	- 1.10	- 8.65
PR	19.00	19.00	19.00	0.00	0.00
SEG	2,654.52	2,643.57	2,645.67	2.10	- 8.85
SEG-S	5.00	5.00	5.00	0.00	0.00
TOTAL	3,512.04	3,493.54	3,494.54	1.00	- 17.50

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT [LFB Paper 630]

Joint Finance: The following table shows the 2015-17 transportation fund condition statement under the Joint Committee on Finance substitute amendment.

	2015-16	2016-17
Unappropriated Balance, July 1	$63,757,700	$24,532,100
Revenues		
Motor Fuel Tax	$1,025,070,300	$1,032,570,300
Vehicle Registration Fees	670,583,200	672,585,000
Less Revenue Bond Debt Service	-228,155,600	-230,728,600
General Fund Transfers	38,009,600	45,958,300
Petroleum Inspection Fund Transfers	27,258,500	27,258,500
Driver's License Fees	38,444,100	38,124,000
Miscellaneous Motor Vehicle Fees	28,528,100	28,709,000
Aeronautical Fees and Taxes	7,788,100	7,803,700
Railroad Property Taxes	32,857,800	32,507,600
Miscellaneous Departmental Revenues	21,178,300	21,851,800
Total Annual Revenues	$1,661,562,400	$1,676,639,600
Total Available	$1,725,320,100	$1,701,171,700
Appropriations and Reserves		
DOT Appropriations	$1,674,557,700	$1,638,777,400
Other Agency Appropriations	26,557,500	26,711,000
Less Estimated Lapses	-8,700,000	-3,500,000
Compensation and Other Reserves	8,372,800	17,995,600
Net Appropriations and Reserves	$1,700,788,000	$1,679,984,000
Unappropriated Balance, June 30	$24,532,100	$21,187,700

2. TRANSPORTATION BOND SUMMARY

Governor: The following table summarizes the biennial bond authorization for transportation projects in the bill, by type of bond and program or project.

Transportation Fund-Supported, General Obligation Bonds	
State Highway Rehabilitation	$242,386,600
Freight Rail Preservation	43,000,000
St. Croix Crossing/Stillwater Bridge Project	30,000,000*
Hoan Bridge/Lake Interchange Project	16,800,000
Subtotal	$332,186,600
General Fund-Supported, General Obligation Bonds	
Passenger Rail Development	-$43,000,000
Transportation Revenue Bonds	
Major Highway Development	$624,531,800
Southeast Wisconsin Freeway Megaprojects	392,093,800
Administrative Facilities	11,880,000
Subtotal	$1,028,505,600
Less Estimated Carryover Balance	-17,478,600
Requested Authorization	$1,011,027,000
Total	$1,300,213,600

*Although the bill would provide $30,000,000 in bonding authority for this purpose, the administration indicates that the intent was to provide only the $20,000,000 the Department requested to complete this project.

Joint Finance: The Joint Committee on Finance reduced the total bond authorization by $450,000,000, relative to the Governor's bill. The following table shows the bond authorization under the Joint Finance substitute amendment.

Transportation Fund-Supported, General Obligation Bonds	
Southeast Wisconsin Freeway Megaprojects	$300,000,000
Freight Rail Preservation	29,800,000
St. Croix Crossing/Stillwater Bridge Project	20,000,000
Hoan Bridge/Lake Interchange Project	16,800,000
Harbor Assistance Program	13,200,000
Subtotal	$379,800,000
General Fund-Supported, General Obligation Bonds	
Contingent Highway Bonding Authorization	$175,000,000
Passenger Rail Development	-43,000,000
Subtotal	$132,000,000
General Obligation Bonds, Debt Service Determined by Joint Committee on Finance	
Contingent Highway Bonding Authorization	$175,000,000
Transportation Revenue Bonds	
Major Highway Development	$169,012,200
Administrative Facilities	11,880,000
Subtotal	$180,892,200
Less Estimated Carryover Balance	-17,478,600
Subtotal	$163,413,600
Total Authorization	$850,213,600

3. FEDERAL HIGHWAY FORMULA AID ALLOCATION

Governor: Reestimate federal highway formula aid at $710,598,700 in 2015-16 and $710,461,800 in 2016-17, which represents an increase of $496,900 in 2015-16 and $360,000 in 2016-17, relative to the 2014-15 appropriation base. Although the estimated aid amounts in 2015-17 are slightly more than the base year allocation, the actual amount of the state's federal highway aid in the coming biennium, and in future fiscal years, remains uncertain. Federal highway trust fund collections have been and continue to be below annual program outlays. In August, 2014, Congress transferred $9.7 billion from the federal general fund to the federal highway trust fund, ensuring the fund's solvency through May 31, 2015. However, it is unclear if additional transfers or other measures to address the ongoing issue of the fund's solvency will be approved in the future.

Changes from the base year in the departmental management and operations and administration and planning appropriations reflect the following modifications: (a) transfer of $397,900 annually associated with a proposed transfer of federally funded traffic counting positions from the administration and planning appropriation to the departmental management and operations appropriation; (b) standard budget adjustments to the departmental management and operations appropriation of $334,200 in 2015-16 and $197,300 in 2016-17; (c) standard budget adjustments to the administration and planning appropriation of $62,700 annually; and

(d) a reallocation of $100,000 in the administration and planning appropriation from a nonhighway allocation to highway formula aid. The following table shows the change to the appropriation base recommended by the Governor and the resulting distribution of federal highway formula aid.

Appropriation	Appropriation Base	Change to Base 2015-16	Change to Base 2016-17	Governor Totals 2015-16	Governor Totals 2016-17
State Highway Rehabilitation*	$418,215,400	$0	$0	$418,215,400	$418,215,400
Southeast Freeway Megaprojects	78,053,100	0	0	78,053,100	78,053,100
Major Highway Development	78,263,500	0	0	78,263,500	78,263,500
Highway System Mgmt. and Ops.	1,102,500	0	0	1,102,500	1,102,500
Departmental Mgmt. and Ops.*	13,005,100	732,100	595,200	13,737,200	13,600,300
Administration and Planning*	3,754,500	-235,200	-235,200	3,519,300	3,519,300
Local Transportation Facility Improvement Assistance	72,238,000	0	0	72,238,000	72,238,000
Local Bridge Improvement	24,409,600	0	0	24,409,600	24,409,600
Railroad Crossing Improvements	3,291,800	0	0	3,291,800	3,291,800
Transportation Alternatives	7,049,300	0	0	7,049,300	7,049,300
Congestion Mitigation/ Air Quality Improvement	10,719,000	0	0	10,719,000	10,719,000
Total	$710,101,800	$496,900	$360,000	$710,598,700	$710,461,800

*These appropriations also receive federal aid from nonhighway allocations.

Joint Finance: Estimate federal highway aid at the same level as the Governor, but reallocate $78,053,100 in 2016-17 from southeast freeway megaprojects to state highway rehabilitation ($48,838,900) and major highway development ($29,214,200).

4. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

Governor: Under the bill, revenue from the general fund and the petroleum inspection fund would be used to support transportation programs. The table below shows these provisions, separated by ongoing, current law transfers and proposed changes. The only proposed change is a transfer of $21,000,000 annually from the petroleum inspection fund.

	2015-16	2016-17	Biennial Total
Current Law			
General Fund			
0.25% Transfer of General Fund Taxes	$37,976,900	$39,568,000	$77,544,900
Road Damage Aid Transfer*	0	6,500,000	6,500,000
Petroleum Inspection Fund			
Ongoing Appropriation Transfer	6,258,500	6,258,500	12,517,000
Subtotal, Current Law Transfers	$44,235,400	$52,326,500	$96,561,900
Bill Changes			
Petroleum Inspection Fund			
One-Time Revenue Transfer	$21,000,000	$21,000,000	$42,000,000
Total			
General Fund	$37,976,900	$46,068,000	$84,044,900
Petroleum Inspection Fund	27,258,500	27,258,500	54,517,000
Both Funds	$65,235,400	$73,326,500	$138,561,900

*Reflects estimated transfer under the current law, sum sufficient appropriation.

Joint Finance: The current law transfer of 0.25% of general fund taxes is reestimated at $38,009,600 in 2015-16 and $39,458,300 in 2016-17 to reflect changes affecting general fund taxes. In addition, debt service on $175,000,000 in contingent bonding authority, if approved by the Joint Committee on Finance, would be paid from the general fund, and debt service on a second $175,000,000 in such authority, if approved by the Committee, could be paid from the general fund if the Committee so chooses.

5. PETROLEUM INSPECTION FUND TRANSFER TO THE TRANSPORTATION FUND

SEG-Transfer	$42,000,000
SEG-REV	$42,000,000

Governor/Joint Finance: Transfer $21,000,000 annually from the petroleum inspection fund to the transportation fund during the 2015-17 biennium. This transfer would be in addition to the existing appropriation from the petroleum inspection fund to the transportation fund ($6,258,500 in base funding). As a result, the total estimated petroleum inspection fund revenues provided to the transportation fund would be $27,258,500 annually (compared to total ongoing and one-time transfers of $22,258,500 annually in the 2013-15 biennium).

6. TRANSPORTATION REVENUE BOND AUTHORIZATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$1,011,027,000	- $847,613,400	$163,413,600

Governor: Provide increased revenue bond authority of $1,011,027,000, based on the bill's proposed use of bonds for major highway development projects ($312,265,900 annually), southeast Wisconsin freeway megaprojects ($292,646,900 in 2015-16 and $99,446,900 in 2016-17), and administrative facility construction projects ($5,940,000 annually), less the estimated transportation revenue bond authorization carryover balance from the 2013-15 biennium of $17,478,600.

Joint Finance: Decrease revenue bond authority by $847,613,400 to reflect a reduction in the use of bonds for major highway development projects (-$209,902,700 in 2015-16 and -$245,616,900 in 2016-17) and a deletion of the use of bonds for southeast Wisconsin freeway megaprojects (-$292,646,900 in 2015-16 and -$99,446,900 in 2016-17).

7. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE [LFB Papers 630 and 631]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	- $81,403,600	$96,476,800	$15,073,200

Governor: Decrease estimated net transportation fund revenue by $21,175,100 in 2015-16 and $60,228,500 in 2016-17 to reflect increases in the amount of vehicle registration revenue needed to pay principal and interest on transportation revenue bonds. Revenue bond debt service is paid from vehicle registration revenue prior to that revenue being deposited in the transportation fund. Consequently, debt service payments are considered negative revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2014-15 is estimated at $236,978,700, an amount that is projected to increase under the bill to $258,153,800 in 2015-16 and $297,207,200 in 2016-17.

Joint Finance: Increase estimated transportation fund revenue by $29,998,200 in 2015-16 and $66,478,600 as follows: (a) $16,052,400 in 2015-16 and $20,848,200 in 2016-17 associated with a reestimate of debt service to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing; (b) $8,121,000 in 2015-16 and $23,725,000 in 2016-17 to reflect the deletion of $392,093,800 in transportation revenue bonding for the southeast Wisconsin freeway megaprojects program; and (c) $5,824,800 in 2015-16 and $21,855,400 in 2016-17 associated with the deletion of $455,519,600 in transportation revenue bonding for the major highway development program.

8. PLEDGE OF MOTOR VEHICLE FUEL TAX REVENUES FOR PAYMENT OF REVENUE BOND DEBT SERVICE

Governor: Modify the Department's authority under the transportation revenue bond program by authorizing the Department to deposit the revenue derived from 50% of the state's motor vehicle fuel tax revenues in a separate and distinct special fund outside the state treasury.

Specify that the revenues would be deposited to the same account currently maintained by a trustee for the purposes of the repayment of transportation revenue bonds. The remaining motor vehicle fuel tax revenues would continue to be deposited directly to the transportation fund. Also, as directed under current law for existing pledged revenues, any pledged revenues from the motor vehicle fuel tax in excess of the annual debt service amounts on transportation revenue bonds would be transferred to the transportation fund at least twice a year and would be free of any further pledge. The administration indicates that while these motor vehicle fuel tax revenues would be pledged to the transportation revenue bond program, existing pledged revenues from the registration fees would be sufficient to cover debt service costs under the program, and that the pledged motor vehicle fuel tax revenues would not have to be initially deposited with the revenue bond program trustee.

This authority would be provided in addition to the Department's current law authority to pledge the revenue derived from various registration and titling fees for the repayment of transportation revenue bonds and would be governed by the same statutory provisions.

Specify that the Department of Revenue could no longer allocate any motor vehicle fuel tax revenues to pay contracts to entities for the collection of delinquent taxes.

Joint Finance: Delete provision.

9. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY AND HIGH-COST BRIDGE PROJECTS [LFB Papers 630, 650, and 653]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$18,729,200	- $2,648,500	$16,080,700

Governor: Increase funding by $9,869,900 in 2015-16 and $8,859,300 in 2016-17 to reflect a reestimate of debt service on existing transportation fund-supported, general obligation bonds authorized for southeast Wisconsin freeway reconstruction and high-cost bridge projects. With this reestimate, debt service on these previously-authorized bonds would be $74,052,000 in 2015-16 and $73,041,400 in 2016-17. The bill would provide an additional $16,800,000 in SEG-supported bonds for completion of the Hoan Bridge/Lake Interchange rehabilitation project (which would be repaid through the same debt service appropriation). The increased debt service associated with the additional bonds that would be authorized for this project is reflected in a separate entry.

Joint Finance: Decrease funding by $1,152,900 in 2015-16 and $1,495,600 in 2016-17 to reflect a reestimate of transportation fund-supported debt service to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing.

10. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS [LFB Papers 645, 651, and 652]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$34,547,600	- $2,456,500	$32,091,100

Governor: Increase funding by $15,205,200 in 2015-16 and $19,342,400 in 2016-17 to reflect a reestimate of debt service payments on existing transportation fund-supported, general obligation bonds authorized for state highway rehabilitation, major highway development, major interstate bridges, freight rail, and harbor improvement. With this reestimate, debt service on these existing bonds would total $49,692,600 in 2015-16 and $53,829,800 in 2016-17. Although paid from the same debt service appropriation, the increased debt service associated with the additional bonds that would be authorized for state highway rehabilitation projects ($242,386,600), freight rail preservation ($43,000,000), and the completion of the St. Croix Crossing/Stillwater Bridge project (the $20,000,000 intended amount) is reflected in separate entries for each purpose.

Joint Finance: Decrease funding by $1,064,200 in 2015-16 and $1,392,300 to reflect a reestimate of transportation fund-supported debt service to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing.

11. GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- $42,601,500

Governor/Joint Finance: Decrease funding by $12,885,800 in 2015-16 and $29,715,700 in 2016-17 to reflect a reestimate of debt service payments on existing general fund-supported, general obligation bonds authorized for state highway projects in previous biennia. With this reestimate, total debt service on these bonds would be $123,394,800 in 2015-16 and $106,564,900 in 2016-17. No additional general fund-supported, general obligation bonds for transportation-related purposes would be authorized under the bill.

12. STUDY OF METHODS FOR IMPROVING THE TRANSPORTATION FUND'S SOLVENCY.

SEG	$1,000,000

Joint Finance: Provide $300,000 in 2015-16 and $700,000 in 2016-17 in the departmental management and operations appropriation to be used by the Department to study methods of improving the transportation fund's solvency. Require the Department to submit a report to the Joint Committee on Finance by January 1, 2017, detailing the use of these funds, describing the study or studies, including any results and conclusions, and making recommendations regarding any related statutory modifications that would be needed to improve the fund's solvency.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS [LFB Paper 640]

SEG	$18,033,000

Governor/Joint Finance: Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by $2,838,400 annually to fully fund the 4% calendar year 2015 increase provided in 2013 Act 20. The calendar year distribution would remain at the 2015 level ($98,400,200) for calendar years 2016 and 2017 and thereafter.

b. *Municipal Aid.* Increase funding by $6,178,100 annually to fully fund the 4% calendar year 2015 increase provided in 2013 Act 20. The calendar year distribution would remain at the 2015 level ($321,260,500) for calendar years 2016 and 2017 and thereafter. The mileage aid rate ($2,202 per mile) would also remain at the calendar year 2015 level for calendar years 2016 and 2017 and thereafter.

2. CORRECTION OF GENERAL TRANSPORTATION AID PAYMENTS

SEG	$193,500

Joint Finance: Make the following changes related to the correction of general transportation aid payments:

a. Require the Department to make an aid payment of $24,800 in 2015-16 to the Town of Kendall in Lafayette County, notwithstanding the statutory requirements of the general transportation aid program related to eligibility or aid amount. Specify that the funds would be provided from the existing sum sufficient appropriation that funds corrections to transportation aid payments made by the Department. This would increase the 2015 aid payment to the Town, which is $24,800 lower than it otherwise would have been due to an error in the Town's reporting of its costs used in the calculation of its aid payments.

b. Require the Department to make an aid payment of $168,700 in 2015-16 to the Village of Lake Hallie in Chippewa County, notwithstanding the statutory requirements of the general transportation aid program related to eligibility or aid amount. Specify that the funds would be provided from the existing sum sufficient appropriation that funds corrections to transportation aid payments made by the Department. This would restore aid in 2015 to offset a $0 aid payment to the Village in 2014 that resulted from an erroneous inclusion of revenues received in the jurisdictional transfer of road miles related to the USH 53 bypass in the calculation of aid payments.

c. Create an appeals process within the general transportation aid program, such that any county or municipality that believes that information used to calculate the aid payment to the county or municipality was reported in error may submit to the Department a request that the information be corrected and the correct aid amount be paid. Require the Department to

promulgate administrative rules establishing submission requirements and arbitration procedures for appeals. Specify that any correction payments made as a result of this process would be made from the existing, sum sufficient corrections of transportation aid payments appropriation.

3. MASS TRANSIT OPERATING ASSISTANCE [LFB Paper 641]

SEG	$6,388,600

Governor/Joint Finance: Provide $3,194,300 annually to fully fund the 4% calendar year 2015 increase in mass transit operating assistance provided in 2013 Act 20. This funding would be distributed as follows: (a) $1,851,700 annually for Tier A-1 (Milwaukee); (b) $486,600 annually for Tier A-2 (Madison); (c) $706,300 annually for Tier B systems; and (d) $149,700 annually for Tier C systems. The calendar year distribution amounts for each tier of systems would remain the same for 2015 and thereafter.

4. TRANSIT SAFETY OVERSIGHT PROGRAM [LFB Paper 642]

SEG	$144,300
FED	577,500
Total	$721,800

Governor: Create a transit safety oversight program funded with $71,600 SEG and $286,600 FED in 2015-16 and $72,700 SEG and $290,900 FED in 2016-17. Provide the Department the authority to administer the program and with oversight, enforcement, investigative, and audit authority over all safety aspects of any fixed guideway transit systems in the state. Define a fixed guideway transit system under this program as a public transportation system being designed, engineered, constructed, or operated that is intended to operate upon a fixed guideway, including a railway, and that is not subject to regulation by the Federal Railroad Administration. Create continuing SEG and FED appropriations to provide the program funding. The FED amounts reflect anticipated federal funding for this purpose while the SEG amounts represent the required state match.

The program and funding would be provided to meet the federal requirement that each state with a fixed guideway system in operation or in the engineering/construction stage must establish a state safety oversight agency (SSOA). Wisconsin has one fixed guideway system in operation, the 1.9-mile Kenosha area streetcar system, and one system in the engineering stage, the Milwaukee streetcar project. The federal surface transportation authorization act, Moving Ahead for Progress in the 21st Century (MAP-21), requires the state to establish an SSOA with the authority to enforce, investigate, and audit safety plans of any fixed guideway system. MAP-21 also requires that the SSOA have adequate staffing, and that staff have sufficient training and the proper Federal Transit Administration certifications. Failure to meet these federal requirements would result in the loss of the state's federal transit funding (currently about $78 million).

Joint Finance: Modify the references to a "fixed guideway transit system" under the proposed transit safety oversight program created under the bill to refer instead to a "rail fixed guideway transportation system," to coincide with the federal term.

5. MILWAUKEE COUNTY AND PROVISION OF SERVICES OR FUNDS FOR A RAIL FIXED-GUIDEWAY TRANSIT SYSTEM

Joint Finance: Specify that a county containing a first class city could not incur any direct or indirect expenses, including the forfeiture of any revenue, relating to the operation or accommodation of a rail fixed-guideway transit system in the first class city, unless the expense incurred or the revenue lost would be fully reimbursed by the first class city.

6. ELDERLY AND DISABLED COUNTY ASSISTANCE

SEG	$437,600

Governor/Joint Finance: Provide $145,400 in 2015-16 and $292,200 in 2016-17 for county assistance in the provision of elderly and disabled specialized transportation services. Total state funding for county assistance would equal $13,768,800 in 2015-16 and $13,915,600 in 2016-17. This would provide a 1% annual increase based on the combined SEG funding for county assistance and capital aids, but would provide the total increase in the appropriation for county assistance.

7. ELDERLY AND DISABLED CAPITAL ASSISTANCE PROGRAM MODIFICATIONS [LFB Paper 643]

Governor: Modify the existing capital assistance appropriation and program to allow the program funding to be used for any specialized transit costs, including operating costs, and rename the existing capital assistance program for specialized transportation as the specialized transportation program. Rename the state-funded "elderly and disabled capital aids appropriation" the "seniors and individuals with disabilities specialized transportation aids appropriation" to reflect the modified program.

Modify various statutory references to elderly (defined as any individual age 55 or older) and disabled persons under the capital assistance program to refer instead to seniors (defined as any individual age 65 or older) and individuals with disabilities (defined the same as disabled persons under current law). The change in the age group would make the state program correspond to the federal capital assistance program and the state county assistance program.

Delete the current law requirement that an eligible applicant must be a private, nonprofit organization or, under certain circumstances, a local public body. Rather, specify that an eligible applicant could be any applicant that is eligible for federal assistance under Federal Transit Administration's (FTA's) formula grant program for the enhanced mobility of seniors and individuals with disabilities. Current state law mirrors these federal provisions. By repealing the state law and referring only to federal law, the state program would automatically pick up any future change to the definition of eligible applicant under federal law.

Specify that the Department would continue to be required to review applications for aid and establish an application cycle, but would not have to review applications annually or have an annual application cycle. In addition to state aid, allow the Department to consider any federal aid available in funding the highest ranked capital assistance applications. Delete the current

law requirements that the sum of state and federal aid for an eligible applicant cannot exceed: (a) the percentage, specified by the Department by rule, of the estimated capital project costs; or (b) for the specific type or category of capital equipment for which aid is paid, the percentage of the estimated capital costs that are eligible for federal aid. Rather, specify that the sum of state and federal aid for an eligible applicant cannot exceed the funding limitations under the FTA's formula grant program for the enhanced mobility of seniors and individuals with disabilities. This change would also tie state law directly to federal law so that future federal law changes automatically are included in the state program.

Modify statutory references to elderly and/or disabled persons under state school bus insurance requirements and the definitions of humans service vehicle and school bus in general statutory provisions relating to the regulation of vehicles to refer instead to individuals with disabilities or seniors as defined under the proposed specialized transportation program.

Joint Finance: Modify the references to elderly and disabled in the county aids, federal capital assistance, and local capital assistance appropriations, as well as the program statutes, to refer instead to seniors and individuals with disabilities.

Local Transportation Assistance

1. FREIGHT RAIL PRESERVATION BONDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$43,000,000	- $13,200,000	$29,800,000
SEG	333,800	-144,300	189,500
Total	$43,333,800	- $13,344,300	$29,989,500

Governor: Provide $43,000,000 in transportation fund-supported, general obligation bond authorization for the freight rail preservation program. Provide an increase in funding of $333,800 SEG in 2016-17 to reflect estimated debt service on these bonds. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. The amount of bonds recommended would be $9,000,000 lower than the amount provided in the 2013-15 biennium.

Joint Finance: Decrease transportation fund-supported bond authorization by $13,200,000 and decrease debt service associated with the bonds as follows: (a) $60,400 in 2016-17 to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing; and (b) $83,900 in 2016-17 associated with the decrease in bonding.

2. FREIGHT RAIL PRESERVATION SEGREGATED APPROPRIATION

SEG	$5,200,000

Governor: Create a continuing, SEG appropriation from the transportation fund to acquire railroad property and to provide grants or loans for railroad property acquisitions and improvements under the Department's freight rail preservation program. Under current law, the state contracts general obligation debt for the Department for these purposes. Although the bill would create a SEG appropriation for these purposes, no funding would be provided in this appropriation.

Joint Finance: Provide $5,200,000 in 2015-16 for the freight rail preservation program.

3. FREIGHT RAIL INFRASTRUCTURE IMPROVEMENT PROGRAM

SEG-Lapse	$5,200,000

Joint Finance: Lapse $5,200,000 in 2015-16 from the freight rail infrastructure improvement revolving loan fund balance to the transportation fund. The freight rail infrastructure improvement program provides low- or no-interest loans from a revolving fund to railroads, shippers, or local governments to perform a variety of capital improvements related to freight rail service. According to the Department, the revolving loan fund currently has a balance of $20.3 million, with applications for another $4.1 million in loans for the current funding cycle, which, if funded, would result in an $11.0 million balance after the required lapse

4. PEDESTRIANS CROSSING RAILROADS

Joint Finance: Include any person walking directly across the tracks or right-of-way of any railroad in the list of allowable activities to which the current law prohibition against persons walking, loitering, or being upon, or along, the track of any railroad would not apply. As a result, this activity would not be considered trespassing and could not be prevented by the railroad.

5. RAIL PROPERTY EXEMPTION FROM LOCAL SPECIAL ASSESSMENT

Governor/Joint Finance: Exempt rail property acquired or held under the Department's freight rail service preservation and improvement program from municipal special assessments for improvements relating to public properties. Currently, all state property is subject to special assessments, except that held for highway right-of-way purposes or that purchased by the state under the acquisition of abandoned rail property program. Specify that land acquired or held under the freight rail service preservation and improvement and acquisition of abandoned rail property programs would be excluded from the definition of state facilities for purposes of payments for municipal services. Currently, land held for highway right-of-way purposes is excluded from this definition.

6. PASSENGER RAIL BONDING

BR	- $43,000,000

Governor/Joint Finance: Decrease general fund-supported bonding authority for passenger rail service and route development by $43,000,000, from the existing authorization of $122,000,000 to $79,000,000. Because the bonds were not likely to be issued for passenger rail projects in the biennium, no change in GPR debt service associated with this decrease in bonding authority is estimated.

Under current law, the Joint Committee on Finance must approve any release of passenger rail bonding for eligible projects. To date, the Committee has approved the release of all but $43,095,700 of the bonding for specific passenger rail projects. The $122,000,000 in general fund-supported passenger rail bonding was authorized as follows: (a) $50,000,000 in the 1993-95 biennium; (b) $32,000,000 in the 2007-09 biennium; and (c) $40,000,000 in the 2009-11 biennium. The authorized bonding can be issued to fund capital costs related to Amtrak service extension routes or other rail service routes between the cities of: Milwaukee and Green Bay; Milwaukee and Madison; Milwaukee and Chicago; Madison and Eau Claire; and Madison and La Crosse. Up to $10,000,000 can also be used to fund railroad track and passenger station improvements related to the extension of Amtrak service or commuter rail service between Milwaukee and Waukesha, or for any passenger station improvements related to any existing passenger rail service.

7. MILWAUKEE TRAIN STATION OPERATIONS AND MAINTENANCE

SEG	$1,296,400

Governor/Joint Finance: Provide $432,100 in 2015-16 and $864,300 in 2016-17 to support operations and maintenance costs associated with the passenger concourse at the Milwaukee Intermodal Station (which is currently undergoing renovations). The passenger concourse is open 24 hours per day, seven days per week, and serves over 1.3 million passengers per year. Renovations of the concourse are scheduled for completion in December, 2015.

Deposit to the transportation fund all fees received from sponsorship agreements under which the Department displays information associated with a sponsor at a passenger railroad station. No estimate of the revenues to be deposited to the transportation fund associated with these sponsorships fees is included under the bill. Currently, all revenues associated with sponsorship fees collected by the Department are deposited to a program revenue appropriation for highway system management and operations and routine maintenance of state trunk highways. The Department has authority to enter into sponsorship agreements where the Department displays advertising, promotional, or sponsorship material, or other information, associated with the sponsor at locations owned or controlled by the Department. In exchange, the sponsors pay fees to the Department. Sponsorship agreements may also include sponsor recognition placed on Department documents, highway maps, the Department's Internet site or vehicles, and equipment owned or controlled by the Department.

8. TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM [LFB Paper 646]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$4,000,000	- $4,000,000	$0

Governor: Provide $2,000,000 annually for the transportation facilities economic assistance and development (TEA) program, which provides grants to local governments for transportation infrastructure improvements related to local economic development projects. Specify that the state's maximum cost share percentage on a TEA program grant would be increased from 50% to 80%, with a corresponding reduction to the minimum local share from 50% to 20%. Modify the process used to establish a maximum grant ceiling and the Department's authority to reduce this ceiling to reflect the increased allowable state share for a project. As modified, the maximum grant ceiling would equal the lesser of 80% of the cost of an improvement or $5,000 per job, but DOT could reduce this ceiling if 80% of the improvement cost would result in a grant exceeding $1,000,000. TEA grants are for improvements and expansions of transportation infrastructure and are intended to facilitate new employment, retain jobs, and lead to private investment in the state's economy. Road, rail, harbor, and airport projects are eligible to receive grants through the program. In its budget request, the Department indicated the additional funding would fund the modification to the state cost share percentage and anticipated greater demand for program grants due to this change. Annual grant funding would increase from $3,402,600 to $5,402,600.

Joint Finance: Delete provision.

9. TRANSPORTATION ALTERNATIVES PROGRAM [LFB Paper 647]

SEG	- $2,000,000

Governor/Joint Finance: Delete $1,000,000 annually to eliminate state funding for the transportation alternatives program (TAP). Under current law, state funding for the program can only be used for bicycle and pedestrian projects. Base level federal funding of $7,049,300 annually would remain for the program. Federal TAP funds support a broad range of transportation-related activities, including construction and planning of nontraditional transportation improvements such as on-road and off-road bicycle, nonmotorized vehicle, and pedestrian facilities. A state or local match is typically required for use of federal funds (generally equal to 20% of project costs). However, because the Department currently requires project sponsors to fund the entire 20% match under this federal aid category, and no state funding is used to meet the required match, no change to the percent of project costs paid by local governments would be anticipated.

10. HARBOR ASSISTANCE PROGRAM. [LFB Paper 648]

BR	$13,200,000
SEG	384,000
Total	$13,584,000

Joint Finance: Authorize $13,200,000 in transportation fund-

supported, general obligation bonds for the harbor assistance program (which would provide total program resources of $14,187,600 in the biennium when combined with base year funding of $493,800 SEG annually). Increase estimated debt service related to the issuance of bonds for the harbor assistance program by $384,000 SEG in 2016-17. Require the Department to provide a harbor assistance grant during 2015-16 to the City of Kewaunee in Kewaunee County for harbor infrastructure improvements and repair and restoration of harbor facilities, notwithstanding the eligibility and match requirements for the program. Specify that the amount of the grant shall be $4,220,000 or the total cost of the project, whichever is less.

11. LOCAL ROADS IMPROVEMENT PROGRAM -- USE OF TRIBAL GOVERNMENT FUNDS FOR LOCAL MATCH.

Joint Finance: Specify that the minimum, 50% local match required of local governments under the local roads improvement program could be provided by federally recognized American Indian tribes or bands in this state using tribal funds. Require the Department to modify the program's administrative rules such that any source of tribal funds, to the extent allowed under federal law, may be used to meet this program's local match requirements.

12. FUNDING FOR REPLACEMENT OF YOUNG ROAD BRIDGE IN THE TOWN OF SENECA IN WOOD COUNTY

Joint Finance: Require that the Department, notwithstanding the eligibility requirements for receiving aid or the limitations on the amount and use of aid under the local bridge improvement assistance program, provide a grant in 2015-16 from the SEG appropriation for the program to the Town of Seneca in Wood County for the replacement of Young Road Bridge, equal to the Town's share of the total project costs or $85,000, whichever is less.

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

Governor: The following tables compare total funding for state highway improvement programs in 2014-15 with proposed funding for those programs in the 2015-17 biennium. Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables show the 2014-15 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2014-15. The tables include two types of bonding: (a) general obligation bonds with GPR debt service; and (b) transportation revenue bonds. The first table breaks down the total funding for the improvement programs by current revenues (SEG/FED) and bonding, and shows the proposed change compared to the base year funding doubled, while the second table shows funding for the five individual programs. The bonding amounts for the major interstate bridge construction program reflect the

$20,000,000 that the administration intended to provide for this program, rather than the $30,000,000 actually included in the bill.

Highway Improvement Program Summary

	2014-15 Base Plus Bonding	Governor's Recommendation 2015-16	Governor's Recommendation 2016-17	Change to Base Plus Bonds Doubled Amount	Change to Base Plus Bonds Doubled %
SEG/FED	$1,059,092,700	$910,117,800	$904,826,600	-$303,241,000	-14.3%
Bonds	402,316,000	756,260,500	539,551,700	491,180,200	61.0
Total	$1,461,408,700	$1,666,378,300	$1,444,378,300	$187,939,200	6.4%

Highway Improvement Funding
Under the Governor's Recommendations

	2014-15 Base Plus Bonding	Governor 2015-16	Governor 2016-17
State Highway Rehabilitation			
SEG	$388,216,700	$269,669,000	$264,377,800
FED	419,132,200	419,132,200	419,132,200
General Obligation Bonds (SEG)	0	118,547,700	123,838,900
Total	$807,348,900	$807,348,900	$807,348,900
Major Highway Development			
SEG	$87,375,000	$27,500,000	$27,500,000
FED	78,263,500	78,263,500	78,263,500
Trans. Revenue Bonds	202,316,000	312,265,900	312,265,900
Total	$367,954,500	$418,029,400	$418,029,400
SE Wis. Freeway Megaprojects			
SEG	$8,052,200	$37,500,000	$37,500,000
FED	78,053,100	78,053,100	78,053,100
Trans. Revenue Bonds	0	292,646,900	99,446,900
General Obligation Bonds (GPR)	200,000,000	0	0
Total	$286,105,300	$408,200,000	$215,000,000
High-Cost Bridge			
General Obligation Bonds (SEG)	$0	$15,800,000	$1,000,000
Major Interstate Bridge Construction			
General Obligation Bonds (SEG)	$0	$17,000,000	$3,000,000
Improvement Program Total	$1,461,408,700	$1,666,378,300	$1,444,378,300

Joint Finance: The following tables show the total funding for highway improvement programs under the Joint Committee on Finance substitute amendment. Compared to the Governor's bill, the substitute amendment would reduce funding by a total of $233,454,400 in 2015-16 and $425,630,600 in 2016-17. However, the Committee's substitute amendment would

provide up to $350,000,000 in contingent bonding authority for use in two state highway programs. At the Committee's discretion, and subject to certain restrictions, these bonds may be used to restore funding to the major highway development program and the state highway rehabilitation program in 2015-17. [See the entry in this section on "Contingent Highway Bonding Authorization" for additional information.]

Joint Finance Substitute Amendment Highway Improvement Program Summary*

	2014-15 Base Plus Bonding	Joint Finance 2015-16	Joint Finance 2016-17	Change to Base Plus Bonds Doubled Amount	Change to Base Plus Bonds Doubled %
SEG/FED	$1,059,092,700	$997,760,700	$948,098,700	-$172,326,000	-8.1%
Bonds	402,316,000	435,163,200	70,649,000	-298,819,800	-37.1
Total	$1,461,408,700	$1,432,923,900	$1,018,747,700	-$471,145,800	-16.1%

*The amounts in the table do not include the $350,000,000 in contingent highway bonding authorization.

Highway Improvement Funding
Under Joint Finance Substitute Amendment*

	2014-15 Base Plus Bonding	Joint Finance 2015-16	Joint Finance 2016-17
State Highway Rehabilitation			
SEG	$388,216,700	$337,991,700	$289,302,800
FED	419,132,200	419,132,200	467,971,100
Total	$807,348,900	$757,123,900	$757,273,900
Major Highway Development			
SEG	$87,375,000	$62,773,300	$68,347,100
FED	78,263,500	78,263,500	107,477,700
Trans. Revenue Bonds	202,316,000	102,363,200	66,649,000
Total	$367,954,500	$243,400,000	$242,473,800
SE Wis. Freeway Megaprojects			
SEG	$8,052,200	$21,546,900	$15,000,000
FED	78,053,100	78,053,100	0
General Obligation Bonds (SEG)	0	300,000,000	0
General Obligation Bonds (GPR)	200,000,000	0	0
Total	$286,105,300	$399,600,000	$15,000,000
High-Cost Bridge			
General Obligation Bonds (SEG)	$0	$15,800,000	$1,000,000
Major Interstate Bridge Construction			
General Obligation Bonds (SEG)	$0	$17,000,000	$3,000,000
Improvement Program Total	$1,461,408,700	$1,432,923,900	$1,018,747,700

*The amounts in the table do not include the $350,000,000 in contingent highway bonding authorization.

2. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS [LFB Paper 651]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$58,748,600	- $8,633,100	$50,115,500
SEG-S	392,093,800	- 392,093,800	0
FED	0	- 78,053,100	- 78,053,100
BR	0	300,000,000	300,000,000
Total	$450,842,400	- $178,780,000	$272,062,400

Governor: Provide $29,374,300 SEG annually for the southeast Wisconsin freeway megaprojects program. In addition, provide transportation revenue bond expenditure authority of $292,646,900 SEG-S in 2015-16 and $99,446,900 SEG-S in 2016-17 and create a SEG-S appropriation for this purpose. Amend other appropriations and statutory provisions related to the use of revenue bond funding to include southeast Wisconsin freeway megaprojects as an authorized use of these funds. Add the new SEG-S appropriation to the list of allowable funding sources for the megaprojects program.

A southeast Wisconsin freeway megaproject is defined as an improvement project with an estimated cost exceeding $558,800,000 in 2014 dollars (indexed annually to the cost of construction inflation), and must be enumerated in the statutes prior to construction. Enumerate the I-94 East−West freeway project, which would be defined as the reconstruction of the I-94 freeway in Milwaukee County from 70th Street to 16th Street, including all interchanges. Currently, the Zoo Interchange and I-94 North-South freeway projects are the only such enumerated projects.

The total provided would be equal to the amount in the Department's budget request for work on the core of the Zoo Interchange project, which it indicated would allow the project to remain on schedule during the 2015-17 biennium. In the Executive Budget Book, the administration reports that this level of funding would delay completion of the I-94 North-South freeway project by one year.

The following table shows the total proposed funding for megaprojects under the bill (including base funding, standard budget adjustments of $73,500 SEG annually, and the funding under this item). Since the megaprojects program relies on both current revenues (SEG and FED) plus bond proceeds in 2014-15, the table shows both types of funding.

Fund	2014-15 Base Plus Bonding	Governor 2015-16	Governor 2016-17
SEG	$8,052,200	$37,500,000	$37,500,000
SEG-S (Revenue Bonds)	0	292,646,900	99,446,900
FED	78,053,100	78,053,100	78,053,100
General Obligation Bonds (GPR-Supported)	200,000,000	0	0
Total	$286,105,300	$408,200,000	$215,000,000

Joint Finance: Make the following modifications to the bill:

a. Modify funding for the program as follows: (a) delete $15,953,100 SEG and $292,646,900 SEG-S in 2015-16; (b) delete $22,500,000 SEG, $78,053,100 FED, and $99,446,900 SEG-S in 2016-17; and (c) provide $300,000,000 in transportation fund-supported, general obligation bonds, with expected use in 2015-16. With these changes, total funding would be reduced by $8,600,000 in 2015-16 and $200,000,000 in 2016-17, with remaining funding of $399,600,000 in 2015-16 and $15,000,000 in 2016-17. This would delete funding for work on the north leg of the Zoo Interchange, auxiliary lanes, and ancillary streets, while providing funding for the second phase of the core of the interchange.

Delete the Governor's recommendation to provide $392,093,800 in transportation revenue bonding for this program and to create a new, SEG-S appropriation to expend the bond proceeds (the SEG-S reductions described above reflect this change). Increase estimated transportation fund revenues by $8,121,000 in 2015-16 and $23,725,000 in 2016-17 to reflect decreased debt service on transportation revenue bonds due to this change. The fiscal effects of the revenue bond changes are shown under "Transportation Finance." Increase estimated SEG debt service by $8,325,000 in 2015-16 and $21,495,000 in 2016-17 to reflect the use of general obligation bonds for this program.

b. Delete the Governor's recommendation to enumerate the I-94 East-West freeway project as a southeast Wisconsin freeway megaproject

c. Require the Department to add southeast Wisconsin freeway megaprojects to the biannual report produced by the Department for the major highway development program. Specify that the report include the same information as is provided for the major highway development program for the southeast Wisconsin freeway megaprojects program.

3. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 651]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $119,899,800	$76,098,600	- $43,801,200
SEG-S	219,899,800	- 455,519,600	- 235,619,800
FED	0	29,421,000	29,421,000
Total	$100,000,000	- $350,000,000	- $250,000,000

Governor: Reduce funding by $59,949,900 SEG annually and increase funding by $109,949,900 SEG-S (transportation revenue bonds) annually for the major highway development program. This program provides for the development and construction of new or significantly altered highway projects, which are statutorily defined by certain cost and capacity thresholds. Generally, such projects must be enumerated by the Governor and the Legislature before the Department may begin their construction.

Relative to the base year funding, the amounts shown in the following table, which include standard budget adjustments of $74,900 SEG annually, represent an increase of 13.6% in 2015-

16, with no additional increase for 2016-17.

Fund	2014-15 Base	Governor 2015-16	Governor 2016-17
SEG	$87,375,000	$27,500,000	$27,500,000
SEG-S (Revenue Bonds)	202,316,000	312,265,900	312,265,900
FED	78,263,500	78,263,500	78,263,500
Total	$367,954,500	$418,029,400	$418,029,400

Joint Finance: Modify funding for the programs follows: (a) provide $34,799,300 SEG and $103,400 FED and delete $209,902,700 SEG-S in 2015-16; (b) provide $41,299,300 SEG and $29,317,600 FED and delete $245,616,900 SEG-S in 2016-17; and (c) reduce transportation revenue bond authorization by $455,519,600 to reflect the preceding SEG-S changes. Increase estimated transportation fund revenues by $5,824,800 in 2015-16 and $21,855,400 in 2016-17 to reflect decreased debt service on transportation revenue bonds due to the reduced bonding. The fiscal effects of the revenue bond changes are shown under "Transportation Finance." The net effect of these actions would reduce biennial funding to the program by $350,000,000 ($175,000,000 annually) from the level provided under the Governor's budget recommendations. Unless funding is restored through the use of contingent bonding authority, it is anticipated that major highway development projects would be delayed as shown in the table below.

Anticipated Project Delays from $175 Million Annual Reduction to AB 21/SB 21

Highway	Project Segment	Counties	Completion Delay
USH 10/441	Winnebago CTH CB to Oneida Street	Outagamie, Calumet, & Winnebago	Two Years
STH 15	STH 76 to New London	Outagamie	Two Years
USH 18/151	Verona Road/Madison Beltline	Dane	Two Years
STH 23	STH 67 to USH 41	Sheboygan & Fond du Lac	Two Years
I-39/90	Illinois State Line to USH 12/18	Dane & Rock	Two Years

4. MAJOR HIGHWAY DEVELOPMENT PROGRAM -- PROJECT ENUMERATION [LFB Paper 651]

Governor: Delete four projects (STH 16 and STH 67 in Jefferson and Waukesha counties, STH 110 in Winnebago County, USH 141 in Marinette and Oconto counties, and USH 151 in Fond du Lac County) from the list of enumerated major highway development projects, for which construction has been completed.

Joint Finance: Include provision. In addition, delete the following major highway project enumerations, as recommended by the Transportation Projects Commission: (a) the Beloit Bypass (STH 81/STH 213) project in Rock County, which has an estimated cost to complete of $9.3 million; (b) the STH 38 project from Racine CTH K to Oakwood Road, in Milwaukee and

Racine counties, which has an estimated cost to complete of $123.9 million; and (c) the USH 14 project from Viroqua to Westby in Vernon County for which the estimated remaining cost to complete is $42.2 million.

5. ENVIRONMENTAL IMPACT STATEMENT FOR EAST ARTERIAL HIGHWAY AND BRIDGE IN WOOD COUNTY

SEG	$822,000

Joint Finance: Require the Department to begin an environmental impact statement (EIS) in the 2015-17 biennium for a major highway project involving a proposed east arterial highway running from the intersection of STH 54 and STH 73 in the Village of Port Edwards to the intersection of STH 54 and Wood County CTH W in the City of Wisconsin Rapids, including a new crossing of the Wisconsin River. Specify that the current law requirement that the Transportation Projects Commission provide prior approval of an EIS does not apply to this study. Provide $822,000 in 2015-16 in the major highway development program appropriation for this purpose.

6. STATE HIGHWAY REHABILITATION [LFB Paper 652]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $238,520,900	$86,327,200	- $152,193,700
FED	0	48,838,900	48,838,900
BR	242,386,600	- 242,386,600	0
Total	$3,865,700	- $107,220,500	- $103,354,800

Governor: Reduce funding by $120,300,100 SEG in 2015-16 and $125,441,300 SEG in 2016-17 in the appropriation for state highway rehabilitation. Authorize $242,386,600 in transportation fund-supported, general obligation bonds for the state highway rehabilitation program. It is anticipated that bonds would be used as follows: (a) $118,547,700 in 2015-16; and (b) $123,838,900 in 2016-17. Request an increase in funding of $7,220,500 SEG in 2016-17 to reflect estimated debt service on these bonds. The purpose of the state highway rehabilitation program is to preserve and make limited improvements to the state highway system (including most state bridges), such as resurfacing, reconstruction, and reconditioning.

The following table shows the total 2015-17 funding for the program under the bill, including standard budget adjustments ($1,527,400 SEG annually) and a separate item for the construction manager/general contractor pilot program ($225,000 SEG in 2015-16 and $75,000 SEG in 2016-17), relative to the 2014-15 appropriation base.

Fund	2014-15 Base	Governor 2015-16	Governor 2016-17
SEG	$388,216,700	$269,669,000	$264,377,800
FED	419,132,200	419,132,200	419,132,200
SEG-Supported General Obligation Bonds	0	118,547,700	123,838,900
Total	$807,348,900	$807,348,900	$807,348,900

Joint Finance: Modify funding for the program as follows: (a) provide $68,547,700 SEG in 2015-16; (b) provide $25,000,000 SEG and $48,838,900 FED in 2016-17; and (c) delete the Governor's recommendation to authorize $242,386,600 in transportation fund-supported, general obligation bonds for the program. Decrease estimated SEG debt service by $7,220,500 in 2016-17 to reflect the deletion of general obligation bonds for this program. The net effect of these actions would decrease funding for the program by $50,000,000 annually, unless additional funding is provided through the use of contingent bonding authority.

7. CONTINGENT HIGHWAY BONDING AUTHORIZATION

BR	$350,000,000

Joint Finance: Provide $350,000,000 in general obligation bonding authorization that could be used for either major highway development or state highway rehabilitation projects, contingent upon the approval of the Joint Committee on Finance. Establish the following provisions related to the use of the bond authorization: (a) the approval process would be initiated by a request from DOT, followed by a 14-day passive review process; (b) debt service on the first $175,000,000 in approved bonding would be paid from the general fund; (c) debt service on any subsequent approved bonding would be paid from either the general fund or the transportation fund, as determined by the Committee; (d) no more than $200,000,000 could be approved by the Committee in 2015-16; (e) the total amount available for approval by the Committee would be reduced by the amount that actual transportation fund revenues in 2015-16 exceed the amounts projected in the budget, subject to a maximum reduction of $150,000,000; and (f) the ability of the Committee to approve the use of this bonding would sunset on June 30, 2017.

Specify that the size of the reduction under "(e)," if any, would be determined by comparing the total annual transportation fund revenues for 2015-16 in the annual fiscal report for that year with the corresponding amount from the final fund condition statement for the biennial budget ($1,661,562,400). Provide that if this calculation produces a reduction in the amount of contingent bonding that the Committee may approve, the Department may submit a request to the Committee, also under a 14-day passive review process, to supplement the SEG appropriations for either the major highway development or state highway rehabilitation programs, or both, by any combined amount up to the amount of the reduction in the amount of contingent bonding.

8. MAJOR INTERSTATE BRIDGE CONSTRUCTION [LFB Paper 653]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$30,000,000	- $10,000,000	$20,000,000
SEG	894,600	- 128,400	766,200
Total	$30,894,600	- $10,128,400	$20,766,200

Governor: Provide $30,000,000 in transportation fund-supported, general obligation bond authorization to fund the completion of the St. Croix River bridge crossing between the states of Wisconsin and Minnesota, including associated approach work and the Wisconsin portion of a bicycle and pedestrian loop trail. The administration indicates that it will submit an erratum recommending the decrease of this authorization amount by $10,000,000 to reflect the Department's budget request for this purpose. Request an increase in funding of $894,600 SEG in 2016-17 to reflect estimated debt service for the level of bond authorization requested by the Department. In its budget request, the Department requested $17,000,000 SEG in 2015-16 and $3,000,000 SEG in 2016-17 for this purpose. In place of these SEG funds, it is anticipated that bonds would be used in the years and amounts specified in the Department's request. The project is managed by the Minnesota Department of Transportation, with costs shared between the two states. Each state is responsible for the cost of its own approaches to the bridge, while the costs associated with the bridge structure are shared equally. The new, four-lane bridge, will connect Houlton, Wisconsin, with Stillwater, Minnesota, replacing the 80-year old Stillwater lift bridge. The main work on the bridge is scheduled for completion in 2016, with all work to be completed in late 2017.

Joint Finance: Decrease the transportation fund-supported, general obligation bond authorization to fund the completion of the St. Croix River Crossing project by $10,000,000 to reflect the amount actually needed to complete the project. In addition, reestimate debt service costs associated with the newly authorized bonding by -$128,400 SEG to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing.

9. HIGH-COST STATE BRIDGE RECONSTRUCTION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$16,800,000	$0	$16,800,000
SEG	831,400	- 119,300	712,100
Total	$17,631,400	- $119,300	$17,512,100

Governor: Authorize $16,800,000 in transportation fund-supported, general obligation bonds for painting the southern portion of the Hoan Bridge in Milwaukee County, change orders to the project's construction contract, and any remaining project costs. Provide an increase in funding of $831,400 SEG in 2016-17 to reflect estimated debt service on these bonds. In its

budget request, the Department requested $15,800,000 SEG in 2015-16 and $1,000,000 SEG in 2016-17 for this purpose. In place of these SEG funds, it is anticipated that bonds would be used in the years and amounts specified in the Department's request. Painting of the northern half of the Hoan Bridge was funded in the 2013-15 biennium as part of the larger reconstruction project. Painting the remaining, one-mile long, southern portion of the two-mile long bridge is intended to protect the bridge's steel structure from corrosion, which is caused by exposure to the elements and deicing chemicals. The bridge reconstruction is scheduled for completion by the end of 2015.

Joint Finance: Decrease debt service on the $16,800,000 in bonds by $119,300 SEG in 2016-17 to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing.

10. STATE LIFT BRIDGE FUNDING

SEG	$330,000

Governor/Joint Finance: Provide $160,000 in 2015-16 and $170,000 in 2016-17 for state-owned lift bridge operations and maintenance. The Department owns 15 lift bridges in five counties. Although the bridges are operated by the counties in which they are located, the Department is responsible for these operational costs, as well as for the cost of maintaining the bridges. When added to the base funding for this purpose, this item would result in total funding of $2,370,100 in 2015-16 and $2,380,100 in 2016-17 for state lift bridges (a separate appropriation of $2,659,200 annually funds the cost of lift bridges on connecting highways).

11. CONSTRUCTION MANAGER/GENERAL CONTRACTOR PILOT PROGRAM

[LFB Paper 654]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$300,000	- $300,000	$0

Governor: Authorize the Department to engage in an alternative state highway project delivery and construction model through a construction manager/general contractor (CMGC) pilot program and provide $225,000 in 2015-16 and $75,000 in 2016-17 to fund the program. Specify that this authority would extend only to CMGC contracts awarded prior to July 1, 2019, and that the Department would be able to use a CMGC contract for no more than three highway improvement projects during this period.

Under current law, the Department must award bids to the lowest qualified bidder (often referred to as the design-bid-build model). During this process, the Department may contract with several different design consultants in addition to working with its own staff to develop a design for the bidding process. Following the submission of project bids, if the Department decides to awards a contract, it is required by statute to select what it determines to be the lowest competent and responsible bidder. The Department indicates that the CMGC model may allow for more efficient and cost-effective delivery of projects that require specialized equipment or

expertise.

Specify that the Department would be able to award a two-phase CMGC contract to a construction manager for preconstruction and construction services. Define a "construction manager" as a person in the business of providing construction services that is also qualified to supervise, manage, or otherwise participate in the engineering, design, or construction work for a highway improvement project. Under this provision, the Department would be able award a CMGC contract based on qualifications, experience, best value, or any other combination of factors the Department considers appropriate. Require that before project design is 90% complete, the construction manager would have to provide the Department with a proposal to construct the project. Specify that this proposal would have to include a guaranteed maximum price for project construction and a certification that at least 30% of the work for the construction phase would be performed by the construction manager. In addition, require the Department to obtain an independent cost estimate for the construction of the project. For the construction phase, specify that the Department would be able to enter into a construction contract with the construction manager pursuant to the submitted proposal or could instead opt to revert to the current law bidding process.

Amend current law such that any persons performing any work under the proposed CMGC contract process would be subject to the same statutory prevailing wage and hours of labor requirements that currently apply to highway projects awarded through competitive bidding. Persons in the employ of contractors, subcontractors, or agents, and other persons performing any work under such a contract would be subject to this provision. In addition, amend the statutes so that laws applying in the following areas to highway projects awarded through competitive bids would also apply to CMGC contracts: (a) the definition of subcontractor, supplier, or service provider as it relates to form of contracts, performance bonds, and remedy; (b) when an action may be taken on a performance and payment bond; and (c) the liability exemption for handling petroleum-contaminated soil under contracts with the Department.

Specify that these provisions would be initially applicable to contracts entered into on the general effective date of the bill.

Joint Finance: Delete provision.

12. REPEAL OF STATUTE REQUIRING BICYCLE AND PEDESTRIAN FACILITIES [LFB Paper 655]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$0	- $381,000	- $381,000

Governor: Repeal the statutory provision that generally requires the Department to ensure that bikeways and pedestrian ways are established in all new highway construction and reconstruction projects funded in whole or in part from state or federal funds. Under current law, exceptions to this general requirement apply only when: (a) bicyclists or pedestrians are

prohibited by law from using the highway that is the subject of the project; (b) the cost of establishing bikeways or pedestrian ways would be excessively disproportionate (exceeding 20% of total project cost) to the need or probable use of the bikeways or pedestrian ways; (c) establishing bikeways or pedestrian ways would have excessive negative impacts in a constrained environment; (d) there is an absence of need for the bikeways or pedestrian ways, as indicated by sparsity of population, traffic volume, or other factors; or (e) the community where pedestrian ways are to be located refuses to accept an agreement to maintain them.

Joint Finance: Replace current law with a provision specifying that the Department would be required to give due consideration to establishing bikeways and pedestrian ways in all new highway construction and reconstruction projects funded in part or in whole with state or federal funds. Specify that the Department may not establish a bikeway or pedestrian way as part of a new highway construction or reconstruction project if either of the following apply: (a) bicyclists or pedestrians are prohibited by law from using the highway that is the subject of the project; or (b) the project is funded in whole or in part from state funds, unless the governing body of each municipality in which a portion of the project will occur has adopted a resolution authorizing the Department to establish the bikeway or pedestrian way, or if the federal government provides written notice to the Department that establishment of such facilities as a part of a project is a condition for the use of federal funds for that project. Repeal TRANS 75, which is the chapter of the administrative code that relates to the inclusion and exclusion of bikeways and pedestrian ways in highway projects. Specify that these provisions would first apply to a project that is not complete on the general effective date of the bill, except to the extent that funds for a project that has not been completed are encumbered on this date. Delete $190,500 annually from the appropriation for the major highway development program to reflect anticipated savings from the modification of the law.

13. PROHIBITING THE USE OF STATE MONEYS FOR COMMUNITY SENSITIVE SOLUTIONS [LFB Paper 656]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$0	- $104,200	- $104,200

Governor: Specify that state moneys may not be expended on elements of highway improvement projects that the Department determines are primarily related to the aesthetic preferences of communities adjacent to the project, generally known as community sensitive solutions. Generally, under current law, the Department may not expend more than 1.5% of the project costs of any highway improvement project on such elements, unless: (a) the project elements are included in a federal record of decision or similar federal project approval issued prior to July 2, 2013; (b) the inclusion of the project elements is required to receive approval for the use of federal funds on the project; or (c) the expenditures in excess of the amount permitted are reimbursed by another party. This provision would not affect the current 1.5% limit, but would preclude using any state moneys for community sensitive solutions.

Specify that this prohibition would first apply to a project for which an agreement between

the state and a local government related to community sensitive solutions has not been entered into as of the general effective date of the bill.

Joint Finance: Reduce the appropriation for the major highway development program by $104,200 in 2016-17 to reflect the Department's estimate of the funding in this program associated with community sensitive solutions agreements that will not be signed by the effective date of the bill.

14. AUDIT OF THE DEPARTMENT OF TRANSPORTATION'S STATE HIGHWAY PROGRAM

Joint Finance: Request that the Joint Legislative Audit Committee direct the Legislative Audit Bureau to conduct a performance evaluation audit of the state highway program. Specify that if the Committee directs the Legislative Audit Bureau to conduct the audit, the Bureau would be required to file its reports by January 1, 2017. Provide that, if conducted, the audit would have to do all of the following:

a. Evaluate the Department's traffic forecasting methodologies, assess the accuracy of its forecasts as compared to those produced by other states, assess the conformity of the Department's traffic forecasting methodologies with relevant professional standards, and consider any other factor relevant to the assessment of the Department's traffic forecasting methodologies. Include within this evaluation a comparison of traffic forecasts provided by the Department from 1990 to 2014 during federal environmental project reviews with postconstruction traffic counts in corresponding completed project locations and include within this comparison a further comparison of the accuracy of the Department's traffic forecasts for projects in the state highway rehabilitation program, the major highway development program, the southeast Wisconsin freeway rehabilitation program, and the southeast Wisconsin freeway megaprojects program.

b. Evaluate the processes and factors that the Department uses to select the timing, type, and scope of highway improvements. Specify that the types of improvements evaluated would have to include lane additions, increasing highway shoulder width, purchase of additional right-of-way, construction of bicycle and pedestrian facilities, changes to roadway geometric alignments, use of dynamic and static messaging signs, and inclusion of ramp gates, barriers, roundabouts, diverging diamond intersections, or aesthetic design elements in projects. Include within this evaluation the total amount expended for each highway improvements type from 2005-06 to 2014-15 by fiscal year.

c. Assess whether the Department could reduce state highway program expenditures on safety-related improvements without significantly reducing public safety.

d. Evaluate the extent to which the Department has met, failed to meet, or exceeded minimum federal and state requirements for highway design and construction for 2005-06 to 2014-15 and the costs or savings associated with the Department's practices related to compliance with highway design and construction requirements.

e. Audit the Department's bidding practices related to the state highway program for 2005-06 to 2014-15 and assess the extent to which these practices have complied with state statutes.

f. Provide recommendations for the improvement or correction of practices of the Department related to the components of this audit.

15. CONFORMITY WITH FEDERAL WEIGHT LIMITS ON I-41

Joint Finance: Modify chapter 348 of the statutes to implement the provisions of Title 23, Section 127(j), of the United States Code, which allows vehicles that were permitted to operate on the former USH 41 corridor, as described in Section 1105(c) (57) of the Intermodal Surface Transportation Efficiency Act of 1991, to continue to operate on that highway segment, which was designated as Interstate 41 on April 7, 2015, without regard to the requirements of Title 23, Section 127(a), of the United States Code. Make technical changes to standardize references to I-39 in the statutes. [Under this provision a weight limit exception in the federal code for this new section of the interstate highway system would be added to state law such that vehicles able to exceed the general maximum weights allowed on U.S. Highway 41 before its designation as Interstate 41 on April 7, 2015, would be permitted to operate on I-41 in the same manner as they were permitted to operate before the designation (through the use of an oversize/overweight permit or an applicable statutory exemption).]

16. HIGHWAY SIGNS FOR THE WISCONSIN BASKETBALL COACHES ASSOCIATION HALL OF FAME

Joint Finance: Require the Department to erect and maintain two directional signs along the eastbound and westbound lanes of I-90/94 and two directional signs along the exit ramps of this highway that correspond to the signs along the main roadway for the Wisconsin Basketball Coaches Association Hall of Fame in Columbia County (located in the Wisconsin Dells), upon receipt of sufficient contributions from interested parties, including any county, city, village, or town, to cover the costs of fabricating, erecting, and maintaining these signs. Specify that no state funds could be used for fabricating, erecting, or maintaining these signs other than the contributions received from interested parties.

Motor Vehicles

1. DRIVER LICENSE/IDENTIFICATION CARD CONTRACT

SEG	$1,700,000

Governor/Joint Finance: Provide $680,000 in 2015-16 and $1,020,000 in 2016-17 for increased costs associated with a new vendor contract for driver license and identification card

redesign and production. The Department reports current driver license and identification cards no longer meet industry security standards. The current vendor contract will expire in November, 2015. A new, multi-year contract will begin at that time, and expire in 2022 (although the contract may be extended beyond this date by a maximum of three years). Under the new contract, the Department estimates the per-unit cost of card production will increase from $2.25 to $3.10. The Department attributes this cost increase to the added card security features (which may include features such as laser engraving and micro-optical printing), upgraded issuance software and equipment, and general cost increases associated with the new contract. Under the terms of the new contract, customers will also be able to track delivery of their driver license or identification card, through which the Department intends to reduce fraud and identity theft.

2. DRIVER LICENSE AND IDENTIFICATION CARD CHANGES [LFB Paper 660]

SEG-REV	$325,800

Governor: Make the following changes applying to driver licenses and identification cards.

a. Specify that if an applicant for renewal of a license authorizing operation of only "Class D" vehicles (this is a regular, noncommercial driver license) satisfies eligibility criteria established by the Department, the person may apply for renewal of the license, and the Department may renew the license, by any electronic means. Provide that a license may be renewed in this way without the applicant's photograph being taken. Specify that applicants may not apply for renewal under this provision more than once in a 16-year period. Require that the Department establish criteria for eligibility for license renewal by electronic means.

Generally, under current law, regular, nonprobationary driver licenses must be renewed every eight years (with shorter expiration periods for instructional permits and probationary licenses); as a condition of renewal, applicants must appear in person to have a digital photograph taken and pass an eyesight exam. It is the administration's intent that electronic renewals would require proof of an eyesight exam and that the Department would use the provision requiring establishment of an electronic application process to develop administrative rules for submission of such proof. The Department indicates that a person renewing a license through electronic means would be issued a new license of the type they currently hold (either REAL ID compliant or noncompliant). The Executive Budget Book references also allowing drivers to transition from an instructional permit to a probationary license and then to a regular license through electronic means. However, the language in the bill would only apply to license renewals.

b. Extend the expiration date for original licenses from three years after the person's birthday to eight years after the date of issuance. This change would affect the following cases: (1) the person is moving to the state, surrenders his or her valid commercial driver license issued by another state, and applies for a Wisconsin commercial driver license; (2) the person is 21 years of age or older and is moving to this state, has been licensed in another jurisdiction for at least three years, and presently holds a license, other than an instructional permit, from another jurisdiction which has not expired for more than six months; or (3) the person is entitled to a

regular license under a foreign license reciprocity agreement. Probationary licenses would continue to expire two years after the date of the applicant's next birthday and driver license renewals would continue to expire eight years after the date of issuance.

c. Increase the fee for the initial issuance of a nonprobationary driver license authorizing operation of only "Class D" vehicles from $18 to $24. This is the fee paid by those persons described in (2) and (3) in the preceding paragraph and would set this fee at the same level currently charged for the eight-year "Class D" driver license renewal. These individuals would pay the higher fee, but would receive a license with a longer valid period. They would also continue to pay a separate $10 license issuance fee. Increase estimated transportation fund revenue by $108,600 in 2015-16 and $217,200 in 2016-17 to reflect the fee increase.

d. Specify that identification cards issued to persons age 65 and older at the time of issuance would not expire and that cards issued under this provision would be of the design and marking under current law for REAL ID noncompliant cards. Under this provision, such a person would not have the option to request an expiring REAL ID compliant card.

e. With the exception of the provision requiring the Department to develop an electronic means for license renewal, which would take effect on the bill's general effective date, specify that these provisions would be effective on the first day of the seventh month beginning after publication of the budget act and would first apply to applications submitted on that date.

Joint Finance: Delete the provision that would establish an electronic renewal process for a license authorizing operation of only "Class D" vehicles. Provide the Department with the authority to allow drivers to transition from an instructional permit to a probationary license and then to a regular license through electronic means (if the requirements for the next licensing level have been met) and to extend waivers of the photograph requirement and the eyesight exam to applicants transitioning between license types under this provision. Require the Department to establish criteria for eligibility for license issuance and renewal by electronic means. Modify the language in the bill to provide the Department with the authority to issue an expiring, REAL ID compliant identification card or a nonexpiring, REAL ID noncompliant identification card to those applicants 65 years old and older.

3. WAIVER OF VARIOUS FEES FOR HOLDERS OF MILITARY COMMERCIAL DRIVER LICENSES [LFB Paper 661]

SEG-REV	- $14,800

Governor: Waive the following fees for commercial driver license applicants who hold a military commercial driver license, first applying to applications made on the bill's general effective date:

a. the $64 fee for the original issuance or renewal of a commercial driver license, which includes issuance of any "H", "N", "P", or "T" endorsements, or "Class D" authorization when the applicant is qualified for such endorsements or authorization and the application is made at the same time as the application for, or renewal of, a commercial driver license;

b. the original issuance or renewal fee of $5 for the "S" endorsement required to

operate a school bus when the applicant is qualified for this endorsement and the application is made at the same time as the application for, or renewal of, a commercial driver license; and

c. the additional fee of $10 for the issuance, renewal, upgrading, or reinstatement of any license, endorsement, or instruction permit issued by the Department.

State law defines a military commercial driver license as an authorization from the National Guard of any state, from a branch of the U.S. armed forces, or from forces incorporated as part of the U.S. armed forces authorizing a person to operate vehicles that the Department determines are equivalent to commercial vehicles as defined in state statute. Upgrade fees required to add endorsements and authorizations to existing commercial driver licenses would not be waived for applicants who hold military commercial driver licenses. The Department estimates a decrease to transportation fund revenue of $7,400 annually related to this provision.

Joint Finance: Modify the provision to reflect the administration's intent to waive the fees for a commercial driver license and related endorsements, as well as the $10 additional license issuance fee, only for this license type and related endorsements, at the time of initial issuance.

4. USE OF TRACTORS FOR SPECIAL OCCASIONS WITHOUT REGISTRATION

Joint Finance: Specify that a farm tractor may be operated on a highway for special occasions such as display and parade purposes or for participation in tractor or antique vehicle clubs, including traveling to and from such events, or when used for occasional personal use, but not for regular daily transportation, without being registered with the Department.

5. SCRAP METAL AND MOTOR VEHICLE SALVAGE DEALERS

Joint Finance: Require that before acquiring a motor vehicle for ferrous scrap, nonferrous scrap, metal articles, or proprietary articles, a scrap metal dealer shall examine the certificate of title for the motor vehicle to determine whether there is a security interest in the motor vehicle. Specify that if the person transferring the motor vehicle is not in possession of the certificate of title, the scrap metal dealer shall examine the title records of the Department to determine whether there is any holder of a security interest in the motor vehicle. Specify that a scrap metal dealer who demonstrates that the dealer has acted in accordance with this subsection is not liable for any damages incurred by a person who asserts a security interest in a motor vehicle and who is not named on the certificate of title of the vehicle. Stipulate that a scrap metal dealer may not acquire a motor vehicle for ferrous scrap, nonferrous scrap, metal articles, or proprietary articles if the certificate of title identifies a holder of a security interest in the vehicle.

Specify that before acquiring a motor vehicle for the purpose of wrecking or junking it, a licensed motor vehicle salvage dealer shall examine the certificate of title for the motor vehicle to determine whether there is a security interest in the motor vehicle. Require that if the person transferring the motor vehicle is not in possession of the certificate of title, that the licensed motor vehicle salvage dealer shall examine the title records of the Department to determine whether there is any holder of a security interest in the motor vehicle. Specify that a licensed motor vehicle

salvage dealer who completes this examination and is able to demonstrate that such an examination occurred is not liable for any claim for damages incurred by a person who asserts a security interest in the motor vehicle and who is not identified on the certificate of title. Stipulate that a licensed motor vehicle salvage dealer may not acquire a motor vehicle for the purpose of wrecking or junking it if the certificate of title identifies a holder of a security interest in the vehicle.

Specify that a scrap metal dealer or a licensed motor vehicle salvage dealer who knowingly violates these provisions may be fined as follows: (a) not more than $250 for a first offense; (b) not more than $750 for a second offense; and (c) not more than $1,500 for a third or subsequent offense. Stipulate that each day on which a scrap metal dealer or a licensed motor vehicle salvage dealer knowingly violates this section constitutes a separate violation.

Define a "motor vehicle scavenger" as a person who carries on or conducts the business of purchasing motor vehicles and reselling the vehicles to a motor vehicle salvage dealer or scrap metal processor. Stipulate that a motor vehicle scavenger may not acquire a motor vehicle by bill of sale for the purpose of wrecking or junking it. Amend current law such that the definition of a motor vehicle salvage dealer would include motor vehicle scavengers.

Specify that these provisions would take effect on the first day of the fourth month beginning after publication of the bill.

State Patrol

1. STATE PATROL RECRUIT CLASS FUNDING

SEG	$2,312,200

Governor/Joint Finance: Provide $1,156,100 annually to fund recruit training classes for the Division of State Patrol in 2015-16 and 2016-17. These funds would be used for recruitment, screening, academy training, equipment, salary, fringe benefits, and post-training expenses. Following an initial screening and testing period, the Department expects that each class of 30 cadets would yield 25 newly sworn officers (troopers and inspectors). Based on current hiring assumptions and the rate of retirements and resignations (about two per month), the Department estimates it will have 30 sworn officer vacancies by the end of 2014-15 and that this will increase to 82 vacancies by the end of 2016-17 with no recruit training classes. The 2013-15 biennial budget provided $1,369,000 in 2013-14 for recruit training, but did not provide any base funding in 2014-15 for that purpose.

2. STATE PATROL OVERTIME COSTS [LFB Paper 665]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$2,189,800	- $117,800	$2,072,000

Governor: Provide $1,094,900 annually in 2015-17 for partial funding of overtime costs associated with the Division of State Patrol's current staffing practices. Unscheduled overtime, which is performed as needed, is frequently the result of troopers' involvement in crash response, intoxicated driver arrest, and sick leave coverage for other officers.

Joint Finance: Decrease the amount provided for State Patrol overtime costs by $58,900 annually to reflect the actual, average overtime rate for the State Patrol.

3. IN-VEHICLE RADIO REPLACEMENT

SEG	$444,600

Governor/Joint Finance: Provide $222,300 annually for replacement of the Division of State Patrol's in-vehicle radios, which were purchased in 2007. The radios would be purchased through a five-year master lease, with annual payments totaling an estimated $593,700 (base funding of $371,400 plus this request). The amount provided would fund the purchase of upgraded radios that would allow for officers to communicate with local law enforcement and public safety agencies whose analog radio systems are not compatible with the state's digital radio system. The new radios would also have a wireless feature that would eliminate the need for in-vehicle signal repeaters, which are necessary for out-of-vehicle communication with officers under the current system. As reported by the Department, signal feedback from these devices can interfere with radio communication when multiple squad vehicles are at the same location.

4. TRANSFER OF PRETRIAL INTOXICATED DRIVER INTERVENTION GRANT PROGRAM

SEG	- $1,463,200

Governor/Joint Finance: Transfer administration of the pretrial intoxicated driver intervention grant program from DOT to DHS and delete the related DOT appropriation and $731,600 annually to reflect this transfer. This program provides grants using state funds for county intensive supervision programs related to early intervention for certain operating while intoxicated offenders. By statute, grant funds may cover up to 80% of the cost of program activities, although DOT limits aid to 50% of the cost to allow grants to be made for more programs. In 2014, the program provided funding for 11 county intensive supervision programs. The bill would not provide any additional funding to DHS for this purpose, but would add this program to the list of other programs funded from a larger DHS appropriation of $8,681,100 annually. An entry summarizing the statutory changes related to DHS is provided under "Health Services."

5. SAFE-RIDE PROGRAM SURCHARGE

PR-REV	$1,410,000

Joint Finance: Require that when a court imposes a fine or a forfeiture for a violation of operating while intoxicated laws that currently require a $435 driver improvement surcharge that it shall also impose a separate $50 surcharge, called the "safe-ride program surcharge," first applying to offenses committed on the effective date of the bill. Specify that all moneys received by the Secretary of Administration from this surcharge would be deposited to the existing safe-ride grant program appropriation for awarding grants to local governments and non-profit organizations for the purpose of covering the costs of transporting persons suspected of having a prohibited blood alcohol concentration. Increase estimated program revenue to this appropriation by $470,000 in 2015-16 and $940,000 in 2016-17.

Stipulate that if a court imposes a safe ride program surcharge, and the person fails to pay this surcharge within 60 days after the date by which the court ordered this payment be made, the court may suspend the person's driver license until the surcharge is paid subject to a maximum suspension period of two years. Specify that the safe-ride program surcharge must be imposed regardless of whether a court has stayed all or part of a sentence for an individual ordered to perform community service.

6. REQUIRE EXEMPT CARGO TANK MOTOR VEHICLES TO STOP AT RAIL-ROAD CROSSINGS

Governor/Joint Finance: Specify that the operator of every cargo tank motor vehicle, whether the vehicle is loaded or empty, transporting a commodity under federal exemption, as provided in the Code of Federal Regulations (49 CFR Part 107, Subpart B), before crossing any track of a railroad at grade, would be required to stop such a vehicle within 50 feet, but not less than 15 feet, from the nearest rail of such railroad.

In addition to other vehicles, current state law requires every cargo tank motor vehicle to stop before an at-grade railroad crossing under the following conditions: (a) whether loaded or empty, when the vehicle is used for the transportation of any liquid having a flashpoint below 200° Fahrenheit; and (b) when transporting a commodity, which at the time of loading, has a temperature above its flashpoint.

The Department reports that a Federal Motor Carrier Safety Administration (FMSCA) audit report found the state's statutes to be incompatible with federal law. To be considered in compliance, FMSCA advised that the state make the change proposed in the bill. This would require all commercial cargo tank motor carriers, including those classified as "exempt," to stop before crossing an at-grade railroad crossing. The Department reports that continued noncompliance with federal law could result in the loss of $4.5 million in federal aid used for motor carrier enforcement.

7. PRIVATE MOTOR CARRIER DEFINITION [LFB Paper 666]

Governor: Modify the definition of "private motor carrier" to mean any person who

provides transportation of property or passengers by commercial motor vehicle and is not a contract motor carrier. Specify that this change would be initially applicable to motor carrier operations on the general effective date of the bill. Under current law, "private motor carrier" means any person except a common or contract motor carrier engaged in the transportation of property by motor vehicle other than an automobile or trailer used therewith, upon the public highways. The current definition of private motor carrier does not include the transportation of passengers.

The Department indicates that rather than the modification in the bill, the intent was to define a "private motor carrier" as any person who provides transportation of property or passengers by a commercial motor vehicle as described in 49 CFR Part 390.5 and is not a for-hire motor carrier. Generally, the term, "for-hire," means for compensation. Under the intended modifications, private motor carriers transporting passengers by commercial motor vehicle, as defined in federal code, would be subject to the same safety requirements that are currently imposed on private motor carriers of property (such as those related to vehicle inspection and marking). Entities affected by this modification would include groups that provide transportation on a not for-hire basis with their own passenger transportation fleets.

The intended modification reflects the Department's effort to comply with a Federal Motor Carrier Safety Administration (FMSCA) audit report, which advised that the state's current definition of private motor carrier is incompatible with federal law. The Department indicates that to be considered in compliance, FMSCA recommended that the state adopt a definition of private motor carrier as provided in the intended modification. The Department reports that continued noncompliance with federal law could result in the loss of $4.5 million in federal aid used for motor carrier enforcement.

Joint Finance: Modify the provision, to reflect the Department's intent, to define a "private motor carrier" as any person who provides transportation of property or passengers by commercial motor vehicle as defined in 49 CFR Part 390.5 and is not a for-hire motor carrier.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
SEG	$2,690,300	0.00
FED	79,600	- 7.00
PR	742,800	0.00
SEG-S	- 92,600	0.00
Total	$3,420,100	- 7.00

Governor/Joint Finance: Provide adjustments to the base budget for: (a) turnover reduction (-$4,446,700 SEG and -$54,700 FED annually); (b) removal of noncontinuing elements (-$407,100 SEG annually, -$21,700 FED and -2.0 FED position in 2015-16, and $263,100 FED and -7.0 FED positions in 2016-17); (c) full funding of continuing position salaries and fringe benefits ($3,280,700, SEG, $164,900 FED, $204,900 PR, and -$46,300 SEG-S annually); (d) overtime ($2,754,300

SEG, $67,300 FED, and $166,500 PR annually); (e) night and weekend salary differential ($256,800 SEG and $4,700 FED annually); and (f) full funding of lease costs and directed moves (-$226,600 SEG in 2015-16 and $40,900 SEG in 2016-17).

2. FEDERAL AID REESTIMATES

FED	- $26,593,600

Governor/Joint Finance: Provide a decrease of $13,296,800 annually to reflect a reestimate of federal transportation aid in the biennium, excluding federal highway aid. Adjust the federal appropriations for the following purposes to reflect the reestimated federal aid amounts: (a) -$17,769,800 annually for urban and rural transit services, transportation employment and mobility, and intercity bus assistance; (b) $2,355,800 annually for elderly and disabled aids; (c) -$2,302,100 annually for aeronautics assistance; (d) $1,377,600 annually for highway safety purposes, including highway safety coordination; (e) $5,418,100 annually for local governments for the implementation of the federal highway safety program; (f) -$2,366,400 annually for vehicle inspection and traffic enforcement; and (g) -$10,000 annually for rail service assistance.

3. FLEET SERVICE CENTER COSTS

SEG-S	$1,100,000

Governor/Joint Finance: Provide $550,000 annually in the Department's fleet service center appropriation to fund increased operational costs associated with 62 additional fleet vehicles. The Department purchased the additional vehicles because of increased demand following the addition of 180 departmental engineering positions, which were created through 2013 Act 20. The Department indicates that many employees in these positions are required to use fleet vehicles on an occasional basis, whereas others have personally-assigned fleet vehicles because of the large amount of in-state travel duties required by these positions. The amount provided reflects the anticipated annual operations and maintenance budget shortfall for the fleet service center in each year of the 2015-17 biennium as a result of the additional vehicles. The service center receives revenue through charges to other DOT appropriations to reflect the use of vehicles by employees funded through those appropriations. This item gives the service center the authority to spend those revenues.

4. POSITION AND FUNDING TRANSFERS ASSOCIATED WITH DEPARTMENTAL REORGANIZATIONS

Governor/Joint Finance: Transfer the following positions and funding within the Department:

a. *Crash Database and Motor Carrier Enforcement.* Transfer $365,400 SEG and 7.3 SEG positions annually from the main appropriation for the Division of Motor Vehicles to the Department's transportation safety appropriation and transfer $115,100 SEG and 1.0 SEG position annually from the transportation safety appropriation to the main appropriation for the Division of State Patrol. The first transfer would shift operation and management of the Department's motor vehicle crash database from the Division of Motor Vehicles to the Division

of State Patrol's Bureau of Transportation Safety to consolidate the staff responsible for collecting crash data with other transportation safety functions. The second transfer would move funding and the position for the supervision of the motor carrier enforcement unit to the main State Patrol appropriation to reflect the enforcement focus of this unit.

b. *Traffic Counting and Aircraft Registration Positions.* Make the following transfers related to the organization and funding of aircraft registration and traffic counting positions within the Department:

Appropriation	Fund Source	Annual Transfers Funding	Positions
Aeronautics Assistance	SEG	$70,200	1.00
Administration and Planning	SEG	-94,100	-1.00
Departmental Mgmt. and Ops.	SEG	66,500	0.60
Division of Motor Vehicles	SEG	-42,600	-0.60
Total SEG		$0	0.00
Administration and Planning*	FED	-$397,900	-4.00
Departmental Mgmt. and Ops.	FED	397,900	4.00
Total FED		$0	0.00

*Including the appropriation used to account for these positions.

The transfer of $70,200 SEG annually to the aeronautics assistance appropriation reflects the Department's transference of responsibility for aircraft registration from the Division of Motor Vehicles to the Bureau of Aeronautics. This reorganization would align aircraft registration with this Bureau's other functions. The remaining items are associated with a proposed reorganization of traffic counting positions and the transfer of related salary, fringe benefits, and supplies and services funding. These actions would consolidate traffic counting data collection activities in the bureau responsible for this inventory data.

c. *Oversize/Overweight Permitting.* Transfer $805,700 SEG and 9.0 SEG positions annually from the main appropriation for the Division of Motor Vehicles to the appropriations used to fund state highway system management and operations to align funding with changes made in a 2014-15 reorganization that transferred the oversize/overweight vehicle permitting function from the permits unit in the Bureau of Vehicle Services to a new, oversize/overweight permit section in the Bureau of Highway Maintenance in order to consolidate route review and permitting in one place.

5. FREIGHT OPTIMIZATION MODELING CONSULTANT SERVICES

Joint Finance: Allocate $1,600,000 in the Joint Committee on Finance's GPR supplemental appropriation in 2015-16 for the purpose of funding a consultant contract for freight optimization modeling services. Create a continuing, DOT appropriation from the general fund for the purpose of expending these moneys for contracting with a consultant for freight optimization modeling services. Specify that DOT and WEDC must conduct a study and prepare

a report analyzing possible applications of freight optimization modeling for economic development and transportation infrastructure prioritization in the state. Specify that this report shall include: (a) a description of how the Department and WEDC would plan to use the freight optimization consultant services for economic development and transportation infrastructure prioritization; and (b) a recommendation regarding the use of available funding for contracting with one or more consultants for the provision of freight optimization modeling services. Stipulate that no later than June 30, 2016, the Department and WEDC shall complete the study and submit the report to the Committee.

Specify that the Department may submit together with the report a request under s. 13.10 of the statutes to supplement the new, DOT appropriation from the Committee's supplemental appropriation for the purpose of contracting with a consultant for freight optimization modeling. Stipulate that if funding is approved by the Committee, the Department may use these funds to contract with a consultant to procure freight optimization services by doing one of the following: (a) amending an existing contract with a consultant, without issuing a request for proposal; or (b) issuing a request for proposal.

6. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Department lapse $140,900 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

7. TRANSFER VACANT POSITION TO DEPARTMENT OF ADMINISTRATION FOR INFORMATION TECHNOLOGY PROCUREMENT [LFB Paper 113]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $197,400	- 1.00	$197,400	1.00	$0	0.00

Governor: Transfer 1.0 vacant position to the Department of Administration for strengthening information technology and services procurement. Delete $98,700 annually from DOT's departmental management and operations appropriation associated with the position. [See "Administration -- Transfers."]

Joint Finance: Delete provision.

8. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$0	- 7.95	-$821,000	1.10	- $821,000	- 6.85
FED	0	- 0.55	- 206,800	- 1.10	- 206,800	- 1.65
Total	$0	- 8.50	- $1,027,800	0.00	- $1,027,800	- 8.50

Governor: Delete 7.95 SEG positions and 0.55 FED position identified by the administration as being generally related to marketing or communications. Positions would be deleted from the following DOT program areas: (a) Division of Motor Vehicles (4.50 positions); (b) Division of State Patrol (2.00 positions); and (c) Division of Transportation System Development (2.00 positions). Associated funding ($531,100 SEG and $28,600 FED annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

This provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify provision by deleting 2.0 additional positions (0.9 SEG and 1.1 FED) from the Division of Transportation System Development instead of 2.0 SEG positions from the Division of State Patrol. Rather than reallocating the associated funding to supplies and services, delete the funding for the positions, as modified, equal to -$410,500 SEG and -$103,400 FED annually.

9. DELETE VACANT INFORMATION TECHNOLOGY INFRASTRUCTURE POSITIONS

	Positions
SEG	- 2.00

Governor/Joint Finance: Delete 2.0 vacant positions annually at the Department "to reflect infrastructure functions that have already transitioned" to DOA. The positions would be deleted from the departmental management and operations appropriation. Funding associated with the positions ($172,600 annually) would not be reduced, but rather reallocated to supplies and services to pay DOA for information technology services provided.

13. FRANK LLOYD WRIGHT HERITAGE TRAIL

Joint Finance: Specify that Department shall designate and mark the following route, through Kenosha, Racine, Milwaukee, Waukesha, Jefferson, Dane, Iowa, Sauk, and Richland counties, as the "Frank Lloyd Wright Heritage Trail":

a. Commencing in Kenosha County, where I-94 enters Wisconsin and proceeding on I-94 to Dane County.

b. In Dane County, proceeding on I-94; exiting to and proceeding on STH 30; exiting to USH 151 and then proceeding on USH 151 south; exiting to USH 14 west and then proceeding on USH 14 west to Richland County.

c. In Richland County, proceeding on USH 14 west, ending at the junction of USH 14 and CTH "Q."

d. In Sauk County, turning from USH 14 onto STH 23 south and proceeding on STH 23 south to Iowa County.

Require the Department to erect and maintain all of the following markers along this route:

e. At the end of the route in Kenosha County, one marker facing each direction of travel to identify to motorists the designation of the route as the "Frank Lloyd Wright Heritage Trail."

f. In Racine County, at the interchange of I 94 and STH 20, one marker facing each direction of travel to identify to motorists the location of the Frank Lloyd Wright Research Tower at the headquarters of S.C. Johnson and Son, Inc., in the City of Racine and Wingspread in the Village of Wind Point.

g. In Dane County, on USH 151, one marker facing each direction of travel to identify to motorists the location of Monona Terrace in the City of Madison and the First Unitarian Society Meeting House in the Village of Shorewood Hills.

h. In Sauk County, at the junction of USH 14 and STH 23, one marker facing each direction of travel to identify to motorists the continuation of the route and Taliesin in Iowa County.

i. In Iowa County, on STH 23, one marker facing each direction of travel to identify to motorists the designation of the route as the "Frank Lloyd Wright Heritage Trail" and the location of the Frank Lloyd Wright Visitor Center and Taliesin in the Town of Wyoming.

j. In Richland County, at the junction of USH 14 and CTH "Q," a marker facing each direction of travel to identify to motorists the designation of the route as the "Frank Lloyd Wright Heritage Trail" and the location of the Richland Museum and Visitors Center in the City of Richland Center.

Specify that the Department may erect and maintain markers along the route specified in (a) through (d) to identify to motorists the location of buildings designed or constructed by Frank Lloyd Wright that are open to the public and that are within 15 miles of this route. [See "Tourism -- Frank Lloyd Wright Promotions" for additional information.]

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor*	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,284,743,600	$1,987,344,100	$2,053,356,200	$66,012,100	3.3%	- $231,387,400	- 10.1%
FED	3,628,250,400	1,814,125,200	3,628,250,400	1,814,125,200	100.0	0	0.0
PR	6,048,164,400	3,088,809,900	6,113,076,300	3,024,266,400	97.9	64,911,900	1.1
SEG	69,024,600	29,762,500	59,325,000	29,562,500	99.3	- 9,699,600	- 14.1
TOTAL	$12,030,183,000	$6,920,041,700	$11,854,007,900	$4,933,966,200	71.3%	- $176,175,100	-1.5%

*Under the Governor, the UW System would have become an Authority and its FED, PR, and SEG funding, estimated at $4,761,028,300, would not have appeared as state appropriations and its 34,648.44 positions would no longer have been counted as state positions.

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	18,432.76	0.00	18,432.76	18,432.76	0.00
FED	5,583.63	0.00	5,583.63	5,583.63	0.00
PR	10,914.07	0.00	10,914.07	10,914.07	0.00
SEG	169.25	0.00	129.05	129.05	- 40.20
TOTAL	35,099.71	0.00	35,059.51	35,059.51	- 40.20

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$35,986,000
PR	14,491,600
Total	$50,477,600

Governor/Joint Finance: Adjust the base budget by $17,977,800 GPR in 2015-16 and $18,008,200 GPR in 2016-17 and $7,245,800 PR annually for: (a) full funding of continuing position salaries and fringe benefits ($17,949,200 GPR and $7,245,800 PR annually); and (b) full funding of lease and directed moves costs ($28,600 GPR in 2015-16 and $59,000 GPR in 2016-17).

2. GPR BASE BUDGET REDUCTION [LFB Paper 676]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $278,686,500	$50,000,000	- $228,686,500

Governor: Reduce the UW System's GPR appropriation for general program operations by $150,000,000 in 2015-16 and by $121,161,700 in 2016-17. In addition, repeal the appropriation for UW System Administration on July 1, 2016, and delete $7,524,800 in related funding in 2016-17.

Under the bill, the statutory appropriation schedule would include only the following two GPR appropriations for the UW System Authority beginning in 2016-17. The appropriation schedule would not include any program revenue, federal revenue, or segregated revenue appropriations for the UW System Authority.

20.285(1)(a)	General program operations	$774,846,500
20.285(1)(d)	Principal payment and interest	$215,774,700

Joint Finance: Provide $25,000,000 annually, which would reduce the GPR base budget reduction from $150 million annually to $125 million annually. Require that the Board of Regents distribute the $25,000,000 annual amount to aid UW institutions that are most impacted by the GPR base reduction.

In addition, provide $7,928,000 in 2015-16 and $13,385,500 in 2016-17 to fund projected increases in fringe benefit costs during the biennium, instead of providing $21,313,500 in 2016-17 for this purpose as under the Governor's bill.

The table below summarizes changes to the UW System's GPR general program operations appropriation under the Governor's bill and as modified by the Joint Finance Committee.

Changes to the UW System's GPR General Program Operations Appropriations

	Governor		Joint Finance	
	2015-16	2016-17	2015-16	2016-17
Base budget reduction	-$150,000,000	-$150,000,000	-$125,000,000	-$125,000,000
UW System Administration appropriation added to UW block grant	0	7,524,800	0	7,524,800
Funding for increases in fringe benefit costs	0	21,313,500	7,928,000	13,385,500
Subtotal -- UW Block Grant	-$150,000,000	-$121,161,700	-$117,072,000	-$104,089,700
Delete Separate UW System Administration Appropriation	0	-7,524,800	0	-7,524,800
Net Change to GPR Funding	-$150,000,000	-$128,686,500	-$117,072,000	-$111,614,500

3. GPR EXPENDITURE AUTHORITY [LFB Paper 676]

Governor: Specify that the GPR general program operations appropriation for the UW System in 2015-16 and the UW System Authority in 2016-17 would be a biennial appropriation. This would allow the UW System to shift funding between the two years of the 2015-17 biennium. Under current law, the UW System's GPR general program operations appropriation is an annual appropriation and expenditures in each fiscal year are limited to the amount provided for that fiscal year.

Provide that the UW System Authority's GPR general program operations appropriation would be an annual appropriation beginning in 2017-18. This provision would take effect on July 1, 2017, or the second day after the publication of the 2017-19 biennial budget act, whichever is later.

Joint Finance: Modify by providing that the UW System's GPR general program operations appropriation would continue to be a biennial appropriation in future biennia.

4. TUITION FREEZE [LFB Paper 677]

Governor: Prohibit the Board of Regents from charging resident undergraduate students enrolled in a UW institution or UW Colleges campus in the 2015-16 and 2016-17 academic years more in tuition than it charged such students enrolled in that institution or UW Colleges campus in the 2014-15 academic year. Specify that this provision would take effect the day after the publication of the biennial budget act.

Joint Finance: Modify by permitting the Board of Regents to increase resident undergraduate tuition at UW-Stevens Point in 2015-16 and 2016-17 to implement a differential tuition if approved by the students in a referendum held after the effective date of the bill.

5. REESTIMATE GPR DEBT SERVICE [LFB Paper 175]

GPR	- $38,686,900

Governor/Joint Finance: Reduce the GPR debt service appropriation by $13,626,700 in 2015-16 and $25,060,200 in 2016-17 to reestimate debt service costs.

6. REESTIMATE PR DEBT SERVICE

PR	- $18,317,600

Governor/Joint Finance: Reduce the PR debt service appropriation by $18,317,600 in 2015-16. Annual base level funding for PR debt service is $155,388,900.

7. REESTIMATE TUITION REVENUES

PR	$75,799,500

Governor/Joint Finance: Provide additional expenditure authority of $75,799,500 in 2015-16 to reflect the amount of tuition revenue received during the 2013-14 fiscal year. The increase in the amount of tuition revenue received is attributable to: (a) enrollment increases

($43,003,200); (b) increases in revenue generated by self-supporting programs ($16,712,400); and (c) differential tuition increases implemented prior to the 2013-14 year ($16,083,900). Tuition revenues are deposited in the UW System's program revenue (PR) general program operations appropriation which is an "all moneys received" appropriation, meaning that all revenues may be spent regardless of the amount shown in the appropriation schedule.

8. PAYMENT TO THE MEDICAL ASSISTANCE TRUST FUND

PR-REV	- $20,000,000

Governor/Joint Finance: Increase the amount that the Board of Regents is required to transfer to the medical assistance trust fund from its program revenue appropriation for general program operations from no more than $20,338,500 annually to no more than $30,338,500 annually. Specify that this provision would first apply on the day after the publication of the biennial budget act.

9. DELETE WISCONSIN BIOENERGY INITIATIVE [LFB Paper 486]

	Funding	Positions
SEG	- $8,138,200	- 35.20

Governor/Joint Finance: Eliminate funding for the Wisconsin Bioenergy Initiative ($4,069,100 SEG annually) and 35.20 positions beginning in 2015-16 and delete the appropriation for that purpose on July 1, 2016. Under current law, funding is provided from the environmental fund to the Wisconsin Bioenergy Initiative to support research into improved plant biomass, improved biomass processing, conversion of biomass into energy products, development of a sustainable energy economy, and development of enabling technology for bioenergy research.

10. DELETE ENVIRONMENTAL EDUCATION BOARD AND GRANTS [LFB Paper 488]

SEG	- $461,000

Governor: Eliminate $130,500 annually for environmental education grants from the environmental fund and delete the appropriation for that purpose on July 1, 2016. In addition, delete $200,000 in 2016-17 as well as the appropriation for environmental education grants from the conservation fund.

Delete current law related to the Environmental Education Board including provisions requiring the Board to: (a) consult with the state Superintendent of Public Instruction in identifying needs and establishing priorities for environmental education in public schools; (b) consult with other state agencies, including UW-Extension, conservation and environmental groups, youth organizations, and nature and environmental centers in identifying needs and establishing priorities for environmental education; (c) award grants for the development, dissemination, and presentation of environmental education programs; and (d) establish a center for environmental education. In addition, delete the requirement that the Board of Regents seek the advice of the Environmental Education Board on the development of environmental education programs.

Joint Finance: Modify the Governor's recommendation to delay the repeal of the two appropriations for environmental education grants and current law related to the Wisconsin environmental education board to July 1, 2017, to allow the expenditure of assessments paid before July 1, 2015.

11. DELETE SOLID WASTE RESEARCH FUNDING [LFB Paper 487]

	Funding	Positions
SEG	- $312,200	- 1.00

Governor/Joint Finance: Eliminate $156,100 annually for solid waste research and experiments and 1.0 position beginning in 2015-16 and delete the appropriation for that purpose on July 1, 2016. Under current law, funding is provided from the environmental fund to support research into alternative methods of solid waste management and for administering solid waste experiment centers.

Delete related provisions permitting the Board of Regents to establish one or more solid waste experiment centers for the purpose of developing, demonstrating, promoting, and assessing the costs and environmental effects of alternatives to solid waste disposal; requiring the Board to conduct research into alternatives to solid waste disposal; and requiring the Board to appoint a solid waste research council.

12. DELETE EXTENSION RECYCLING EDUCATION FUNDING [LFB Paper 487]

	Funding	Positions
SEG	- $788,200	- 4.00

Governor/Joint Finance: Delete $394,100 annually for UW-Extension recycling education and 4.0 positions beginning in 2015-16 and delete the appropriation for that purpose on July 1, 2016. Under current law, funding from the environmental fund is provided to support UW-Extension education and technical assistance programs in recycling and recycling market development.

13. UW PR AND FEDERAL APPROPRIATIONS [LFB Paper 675]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $2,845,963,000	$2,845,963,000	$0
FED	- 1,812,449,300	1,812,449,300	0
Total	- $4,658,412,300	$4,658,412,300	$0

Governor: Delete the UW System's program revenue appropriations for general program operations (-$2,271,680,800), gifts and nonfederal grants and contracts (-$537,889,600), and general fund interest ($0) and the UW System's appropriation for federal aid (-$1,812,449,300) in 2016-17.

In addition, delete the UW System's PR appropriation for funds transferred from other state agencies and $36,392,600 in 2016-17. Separate items describe an additional $1,705,600 that

would be deleted from that appropriation. Provide that the Higher Educational Aids Board would continue to make reimbursement payments to the UW System Authority for tuition remissions granted to veterans and the children and spouses of deceased or disabled veterans, that the Department of Transportation would continue to transfer additional fees collected related to University of Wisconsin license plates, and that the Department of Revenue would continue to transfer funds designated for cancer research programs to the UW System Authority.

Joint Finance: Delete the provision, which would restore the UW System's program revenue appropriations for general program operations, gifts and nonfederal grants and contracts, general fund interest, and funds transferred from other state agencies and its appropriation for federal aid.

14. PR DEBT SERVICE APPROPRIATION UNDER DOA [LFB Paper 675]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $155,388,900	$148,127,300	- $7,261,600

Governor: Delete the PR appropriation under the UW System for PR debt service with $155,388,900 in 2016-17 and delete current law specifying that, for projects authorized by the Building Commission on or after July 1, 2001, an amount equal to 40% of the principal and interest costs for maintenance of UW-Madison intercollegiate athletic facilities would be paid from that appropriation.

Create an appropriation under the Department of Administration (DOA) for moneys received from the UW System Authority in payment of principal and interest costs incurred in financing self-amortizing UW facilities and under an agreement or ancillary agreements entered into by the UW System and the Building Commission. Estimate this appropriation under DOA at $148,127,300 in 2016-17.

Joint Finance: Delete provision, which would restore the UW System's PR debt service appropriation in 2016-17. In addition, estimate this appropriation at $148,127,300 in 2016-17.

15. TRUST FUND INCOME APPROPRIATION [LFB Paper 678]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $26,816,500	- 122.23	$26,816,500	122.23	$0	0.00

Governor: Delete the appropriations under the UW System for trust fund income (-$26,816,500 and -122.23 positions in 2016-17) and trust fund operations ($0). The UW System would retain control of its trust funds and any income generated from those trust funds.

Joint Finance: Delete the provision, which would restore the UW System's appropriations for trust fund income and related funding and positions.

16. TELECOMMUNICATIONS SERVICES APPROPRIATION [LFB Paper 678]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $1,054,800	$1,054,800	$0

Governor: Delete $1,054,800 in 2016-17 and the appropriation under the UW System for moneys transferred from the universal service fund to pay for telecommunications provided by DOA to UW System campuses and delete language specifying that moneys from the universal service fund can be used for this purpose. In addition, modify the definition of "qualified postsecondary institution" such that DOA would not be permitted to provide computer and telecommunication services to UW institutions. Specify that the unencumbered balance of the appropriation as of June 30, 2016, would transfer to a new appropriation under the public service commission for broadband expand grants.

Joint Finance: Delete provision, which would restore the appropriation, funding, and related statutory language.

17. RURAL PHYSICIAN RESIDENCY ASSISTANCE PROGRAM [LFB Paper 678]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $755,300	- 3.62	$755,300	3.62	$0	0.00

Governor: Delete the rural physician residency assistance program administered by the UW-Madison School of Medicine and Public Health's Department of Family Medicine, the related appropriation, and $755,300 and 3.62 positions in 2016-17. Through this program, the Department of Family Medicine establishes and supports physician residency positions that are: (a) in hospitals located in rural areas; (b) in clinics staffed by physicians who admit patients to hospitals located in rural area; or (c) include a rural rotation that consists of at least eight weeks of training experience in such a hospital or clinic. Funding for this program comes from the critical access hospital assessment fund.

Joint Finance: Delete provision, which would restore the appropriation, funding, positions, and related statutory language.

18. PHYSICIAN AND DENTIST AND HEALTH CARE PROVIDER LOAN ASSISTANCE PROGRAMS [LFB Papers 678 and 679]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $488,700	$488,700	$0
SEG	- 250,000	250,000	0
Total	- $738,700	$738,700	$0

Governor: Delete the physician and dentist and health care provider loan assistance program, a related segregated fund appropriation under the UW System, and $488,700 PR and $250,000 SEG in 2016-17. Funding for this program comes from the critical access hospital assessment fund and tribal gaming revenues. Through this program the UW Board of Regents may repay up to $50,000 in education loans on behalf of a physician or dentist who agrees to practice in one or more eligible practice areas or dental health shortage areas in this state. The Board of Regents may make loan repayments of up to $100,000 on behalf of physicians who additionally agree to practice in a rural area. The Board of Regents may make loan repayments of up to $25,000 on behalf of other health care providers including dental hygienists, physician assistants, nurse midwives, and nurse-practitioners.

In addition, delete the rural health development council which advises the Board of Regents on matters related to the physician and dentist and health care provider loan program.

Joint Finance: Delete the provision, which would restore funding for the loan assistance programs and the related statutory language and maintain current law regarding the rural health development council.

19. FERTILIZER RESEARCH FUNDS [LFB Paper 138]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $446,300	$446,300	$0

Governor: Delete current law research fees of 27¢ per ton of fertilizer sold or distributed and 10¢ per ton of soil or plant additive distributed and delete the fertilizer research council which recommends projects to be financed by fertilizer research funds.

Under current law, the soil and plant additive research fee and 17¢ of the fertilizer research fee are forwarded to the UW System to be used for research on soil management, soil, fertility, plant nutrition problems, and for research on surface water and groundwater problems which may be related to fertilizer usage. These funds are also use to fund the dissemination of the results of the research and for other designated activities tending to promote the correct usage of fertilizer materials. The remaining 10¢ of the fertilizer research fee is used to support UW-Extension outreach services. In 2013-14, $280,000 was forwarded to the UW System for

research and $166,300 was provided to support UW-Extension outreach services.

Joint Finance: Delete the provision, which would maintain the research fee.

20. AQUACULTURE DEMONSTRATION FACILITY [LFB Paper 679]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $417,500	$617,500	$200,000

Governor: Delete $417,500 in 2016-17, the requirement that the Board of Regents operate an aquaculture demonstration facility, and the appropriation under the Department of Administration which provides funding for that facility from tribal gaming revenues. Specify that the UW System Authority may, instead of shall under current law, conduct applied and on-site research, outreach activities, and on-site demonstrations relating to commercial aquaculture in this state in cooperation with the commercial aquaculture industry. The Department of Agriculture, Trade, and Consumer Protection (DATCP) would also continue to coordinate its aquaculture activities with those of the Department of Natural Resources (DNR) and the UW System Authority and to conduct meetings on a quarterly basis involving DATCP, DNR, and UW System Authority representatives to exchange information regarding the progress of their efforts to promote commercial aquaculture in this state.

Joint Finance: Delete the provision, which would restore the funding from tribal gaming revenues for the aquaculture demonstration facility and maintain current law regarding the UW System's aquaculture activities. In addition, provide $100,000 PR-tribal gaming in 2015-16 and 2016-17 to fund a UW-Extension aquaculture specialist position.

21. ENVIRONMENTAL PROGRAM GRANTS AND SCHOLARSHIPS [LFB Paper 678]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $301,600	- 1.00	$301,600	1.00	$0	0.00

Governor: Delete $301,600 and 1.0 position in 2016-17 as well as the appropriation for environmental program grants and scholarships. This appropriation funds all of the following: (a) need-based grants totaling $100,000 to students who are members of underrepresented groups and who are enrolled in a program leading to a certificate or a bachelor's degree from the Nelson Institute for Environmental Studies at UW-Madison; (b) annual scholarships totaling $100,000 to students enrolled in the sustainable management degree program through the UW-Extension; and (c) the balance of the appropriation for environmental programs at UW-Steven Point. Base level funding for this appropriation is $301,600 SEG from the normal school fund.

Joint Finance: Delete the provision, which would restore the appropriation and funding and the related statutory language.

22. DISCOVERY FARM GRANT PROGRAM [LFB Paper 678]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $249,800	- 1.20	$249,800	1.20	$0	0.00

Governor: Delete $249,800 and 1.20 positions in 2016-17 as well as the discovery farm grant program and a related appropriation from the agrichemical management fund. Under current law, the Board of Regents makes grants through UW-Extension to operators of discovery farms for research and outreach activities under the Wisconsin agricultural stewardship initiative. A discovery farm is an operating commercial farm that conducts on-farm research.

Joint Finance: Delete the provision, which would restore the appropriation, funding, and positions and the related statutory language.

23. ONEIDA PROGRAMMING AT UW-GREEN BAY [LFB Paper 679]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $247,500	$247,500	$0

Governor: Delete $247,500 in 2016-17 as well as the requirement that the Board of Regents ensure that UW-Green Bay implements programming that is jointly developed by UW-Green Bay and the Oneida Tribe. Delete an appropriation under the Department of Administration which provides funding for such programming from tribal gaming revenues.

Joint Finance: Delete the provision, which would restore the funding and the related statutory language.

24. CENTER FOR COOPERATIVES [LFB Paper 678]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $134,500	- 1.00	$134,500	1.00	$0	0.00

Governor: Delete $134,500 and 1.0 position in 2016-17 as well as the requirement that the Board of Regents maintain a center for cooperatives at UW-Madison and the grant program administered by that center. In addition, delete the related grant appropriation from the

conservation fund which provides $78,000 for the paper science program at UW-Stevens Point and $56,500 for grants to persons to form forestry cooperatives that consist primarily of private, nonindustrial owners of woodland.

Joint Finance: Delete the provision, which would restore the appropriation, funding, and positions and the related statutory language. In addition, modify current law to specify that, of the funding provided through the appropriation for grants to forestry programs, $124,400 should be provided to the UW-Stevens Point paper science program in 2015-16 and 2016-17 and the remainder should be used to make grants to persons to form forestry cooperatives that consist primarily of private, nonindustrial owners of woodland.

25. OUTDOOR SKILLS TRAINING AGREEMENT AND RELATED FUNDING [LFB Paper 675]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $53,700	$53,700	$0

Governor: Delete $53,700 in 2016-17 as well as the requirement that the Board of Regents and the Department of Natural Resources enter into an agreement with an established national organization to provide training to persons interested in learning about the outdoor skills needed by women to hunt, fish, camp, canoe, and undertake other outdoor recreational activities. Delete language requiring DNR to transfer $53,700 annually to the UW System from its general program operations appropriation for land and forestry for outdoor skills training provided under the agreement.

Joint Finance: Delete the provision which would restore the funding and the related statutory language.

26. GREAT LAKES FISH STUDIES [LFB Paper 675]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $51,900	$51,900	$0

Governor: Delete $51,900 in 2016-17 as well as language requiring DNR to transfer $51,900 annually to the UW System from its general program operations appropriation for water for studies of Great Lakes fish.

Joint Finance: Delete the provision, which would restore the funding and the related statutory language.

27. MINNESOTA-WISCONSIN STUDENT RECIPROCITY [LFB Paper 390]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	- $12,240,300	$12,240,300	$0

Governor: Transfer the authority to enter into a student reciprocity agreement with the state of Minnesota from the Higher Education Aids Board (HEAB) to the UW System Authority Board of Regents and make entering into such an agreement optional, instead of required as under current law. Delete language making such an agreement subject to approval by the Joint Committee on Finance and requiring that an annual administrative memorandum related to the agreement be approved by the Finance Committee through a passive review process. Delete language specifying that payments received under the agreement be deposited in the state's general fund. This would permit the UW System Authority to retain all tuition revenues paid by Minnesota students attending UW institutions under the agreement instead of transferring the amount of tuition paid above the Wisconsin resident tuition rate to the state's general fund. Delete the GPR sum sufficient appropriation under HEAB for payments to Minnesota under the agreement. Under the bill, the UW System Authority Board of Regents would be responsible for making any payments required under the agreement to Minnesota. Specify that the UW System Authority would not be liable for any reimbursement obligation under the agreement that accrues before July 1, 2016.

Joint Finance: Delete provision. HEAB would retain authority for, and administer, the Minnesota-Wisconsin student reciprocity agreement and the agreement would continue to be subject to the approval of the Joint Finance Committee. The UW System would also continue to transfer the amount of tuition paid by Minnesota students that is above the Wisconsin resident tuition rate to the state's general fund.

28. TRANSFER STATE LABORATORY OF HYGIENE TO DATCP [LFB Paper 675]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $11,037,300	- 131.25	$11,037,300	131.25	$0	0.00
PR	- 23,490,500	- 178.50	23,490,500	178.50	0	0.00
Total	- $34,527,800	- 309.75	$34,527,800	309.75	$0	0.00

Governor: Transfer the State Laboratory of Hygiene (SLH) to the Department of Agriculture, Trade, and Consumer Protection (DATCP) and delete from the UW System $11,037,300 GPR and 131.25 GPR positions and $23,490,500 PR and 178.50 PR positions in 2016-17. Provide that: (a) the Director of the State Laboratory of Hygiene may continue to service as the Director of until his or her term expires as specified in the appointment; (b) the assets and liabilities of the UW System that are primarily related to SLH, as determined by the DOA Secretary, would become the assets and liabilities of DATCP; (c) all positions and all incumbent employees holding those positions in the UW System performing duties that are

primarily related to SLH, as determined by DOA, would be transferred to DATCP, that those employees would have all comparable rights and the same status in DATCP the they enjoyed in the UW System immediately before the transfer, and that no employee so transferred who has attained permanent status in class would be required to serve a probationary period; and (d) all tangible personal property, including records, of the UW System that are primarily related to SLH, as determined by the DOA Secretary, would be transferred to DATCP. In addition, the SLH Board would be required to include the following in its biennial budget request for the 2017-19 biennium: (a) identify the state agencies to whom SLH provided services in the 2016-17 fiscal year for which SLH did not charge fees under a provision requiring SLH to provide complete laboratory services in the areas of water quality, air quality, public health, and contagious diseases for appropriate state agencies; (b) for each agency identified in (a), the total cost of the services for which SLH did not charge fees; and (c) a proposal for charging those state agencies fees for services beginning in the 2017-18 fiscal year.

In addition, specify that the State Laboratory of Hygiene Board would appoint the Director of the Laboratory and other staff members required for the administration of the laboratory upon the recommendation of the DATCP Secretary. Under current law, the Board of Regents appoints the Director of the Laboratory and other staff members required for the administration of the Laboratory upon the recommendation of the UW-Madison chancellor.

Specify that these provisions would take effect on July 1, 2016.

Joint Finance: Delete provision. The State Laboratory of Hygiene would remain attached to the UW System.

29. TRANSFER VETERINARY DIAGNOSTIC LABORATORY TO DATCP [LFB Paper 675]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $4,974,800	- 77.90	$4,974,800	77.90	$0	0.00
PR	- 4,780,000	- 12.60	4,780,000	12.60	0	0.00
FED	- 1,675,900	- 4.00	1,675,900	4.00	0	0.00
Total	- $11,430,700	-94.50	$11,430,700	94.50	$0	0.00

Governor: Transfer the Veterinary Diagnostic Laboratory (VDL) to the Department of Agriculture, Trade, and Consumer Protection, and delete from the UW System $4,974,800 GPR and 77.90 GPR positions, with $4,780,000 PR and 12.60 PR positions, and $1,675,900 FED and 0.50 FED position in 2016-17. Provide that: (a) the Director of the Veterinary Diagnostic Laboratory may continue to serve as the Director until his or her term expires as specified in his or her appointment; (b) the assets and liabilities of the UW System that are primarily related to VDL, as determined by the DOA Secretary, would become the assets and liabilities of DATCP; (c) all positions and all incumbent employees holding those positions in the UW System performing duties that are primarily related to VDL, as determined by the DOA Secretary, would transferred to DATCP, that those employees would have all comparable rights and the same

status in DATCP the they enjoyed in the UW System immediately before the transfer, and that no employee so transferred who has attained permanent status in class would be required to serve a probationary period; and (d) all tangible personal property, including records, of the UW System that are primarily related to VDL, as determined by the DOA Secretary, would be transferred to DATCP. In addition, the VDL Board would be required to include the following in its biennial budget request for the 2017-19 biennium: (a) identify the federal and state agencies to whom VDL provided services in the 2016-17 fiscal year for which VDL did not charge fees under a provision prohibiting VDL from charging a fee to the subunits of DATCP and the federal Department of Agriculture that are responsible for animal health, and for services relating to human health and safety; (b) for each agency identified in (a), the total cost of the services for which VDL did not charge fees; and (c) a proposal for charging all federal and state agencies fees for services beginning in the 2017-18 fiscal year.

Provide that the DATCP Secretary, instead of the UW-Madison Chancellor as under current law, would appoint the Director of the Laboratory after consultation with the Veterinary Diagnostic Laboratory Board. Require the DATCP Secretary, instead of the UW System Board of Regents as under current law, to process and forward without change to the Department of Administration all personnel and biennial budget requests of the Veterinary Diagnostic Laboratory Board. Specify that these provisions would take effect on July 1, 2016.

Joint Finance: Delete provision. The Veterinary Diagnostic Laboratory would remain attached to the UW System.

30. GIFT AND GRANT FUNDED BUILDING PROJECTS

Joint Finance: Provide that the Board of Regents may let UW gifts and grants projects through single prime contracting and define a "UW gifts and grants project" as a construction project funded entirely by gifts and grants made to the UW System for the express purpose of funding the construction project. Specify that if the Board of Regents lets a UW gifts and grants project through single prime contracting, other current law provisions related to the bidding of construction project contracts would not apply. Under current law, "single prime contracting" is defined as bidding and contracting through a process in which only a general prime contractor has a contractual relationship with the state and all mechanical, electrical, or plumbing subcontractors are identified by the Department of Administration (DOA) and are subcontractors to the general prime contractor.

Provide that UW gifts and grants projects that are let by the UW System using single prime contracting would not be subject to approval by the State Building Commission. Provide that such projects would not require review and approval by DOA and that DOA would not take charge of and supervise engineering or architectural services or construction work performed for such projects. Specify that the Board of Regents could employ engineering, architectural, or allied services and expend money for construction purposes for any UW gifts and grants project that the Board lets using single prime contracting. Specify that the State Building Commission could not prescribe simplified bidding procedures for UW gifts and grants projects that the Board of Regents lets using the single prime contracting process as it may under current law for other

projects that do not require approval by the Building Commission.

Modify current law to give the Board of Regents the same responsibilities, protections, and powers when letting a contract through single prime contracting as DOA has under current law. Modify current law to specify that contracts entered into between general prime contractors and subcontractors related to projects let by the Board of Regents using single prime contracting would have all of the same clauses as such contracts related to projects let by DOA using single prime contracting under current law. Modify current law to specify that, at 50% completion, a general prime contractor may not retain additional funds and partial payments must be made in full to a subcontractor unless the Board of Regents, in addition to DOA under current law, certifies that the subcontractor's work is not proceeding satisfactorily. Modify current law to specify that payments made by a general prime contractor to subcontractors must be made within seven calendar days of the general prime contractor receiving payment from the Board of Regents, in addition to from DOA as under current law.

Specify that the following current law provisions would not apply to UW gifts and grants projects let by the Board of Regents using single prime contracting: (a) an exemption for contracts for engineering or architectural services, for construction work of more than $10,000, and for limited trades work of more than $30,000 from current law related to contractual services and bidding; (b) a requirement that DOA attempt to ensure that 5% of the amount expended through such contracts be paid to minority businesses; (c) a requirement that DOA attempt to ensure that 1% of the amount expended through such contracts be paid to disabled veteran-owned businesses; and (d) a provision specifying such contracts, payments related to those contracts, and change orders related to those contracts must be approved by the DOA Secretary or his or her designated assistant and, in some cases, the Governor.

Delete the current law provision exempting UW System building projects that cost less than $500,000 and that are funded entirely from gifts and grants from approval by the State Building Commission. Delete current law specifying that such projects would not require review and approval by DOA and that DOA would not take charge of and supervise engineering or architectural services or construction work performed for such projects. Delete current law specifying that (a) through (d) above do not apply to such projects.

31. MASTER LEASE FINANCING FOR ENERGY CONSERVATION PROJECTS

Joint Finance: Provide that the UW System President may annually identify and approve eligible energy conservation projects for the UW System. Provide that eligible energy conservation projects approved by the UW System President would be financed through the state's master lease program with the amount to be determined by the Secretary of the Department of Administration (DOA) in consultation with the UW System President. Define "eligible energy conservation project" as a project that satisfies all of the following criteria: (a) the estimated costs associated with the project are offset by the estimated savings to the UW System after completion of the project; (b) all estimated savings from the project are guaranteed by the qualified provider selected for the project by the UW System President through a performance contract; and (c) the period in which estimated savings are projected to be realized

from the project does not exceed ten years. Specify that the estimated savings for each eligible energy conservation project would be measured and verified in a manner established by the UW System President. Define a "qualified provider" as a person who is experienced in the design, implementation, and installation of energy conservation and facility improvement measures and who has the ability to provide labor and material payment and performance bonds equal to the maximum amount of any payments due under a performance contract entered into by the person.

Provide that eligible energy conservation projects approved by the UW System President would not be subject to approval by the State Building Commission. Provide that the UW System would select qualified providers for such projects and that current law bidding procedures for construction project contracts, which specify that DOA lets construction contracts, would not apply to such projects. Provide that the State Building Commission could not prescribe simplified bidding procedures for such projects as it may under current law for other projects that do not require approval by the Building Commission. Provide that the UW System President would supervise the implementation of energy conservation projects financed through the state's master lease program and that such projects would not require review and approval by DOA. Specify that DOA would not take charge of and supervise engineering or architectural services or construction work performed for such projects. Specify that the Board of Regents could employ engineering, architectural, or allied services and expend money for construction purposes for energy conservation projects approved by the UW System President and financed through the state's master lease program.

Specify that the following current law provisions would not apply to eligible energy conservation projects approved by the UW System President and financed through the state's master lease program: (a) an exemption for contracts for engineering or architectural services, for construction work of more than $10,000, and for limited trades work of more than $30,000 from current law related to contractual services and bidding; (b) a requirement that DOA attempt to ensure that 5% of the amount expended through such contracts be paid to minority businesses; (c) a requirement that DOA attempt to ensure that 1% of the amount expended through such contracts be paid to disabled veteran-owned businesses; and (d) a provision specifying such contracts, payments related to those contracts, and change orders related to those contracts must be approved by the DOA Secretary or his or her designated assistant and, in some cases, the Governor.

Provide that the UW System would be able to undertake or finance energy conservation projects through other state programs including DOA's energy efficiency program.

32. INVESTMENT OF CERTAIN FUNDS [LFB Paper 684]

Joint Finance: Provide that the Board of Regents may invest revenues from its auxiliary enterprises, gifts, grants, donations, and segregated fees collected for building projects by doing one of the following: (a) directly employing a financial manager to oversee the investment of these funds; (b) contracting with the State of Wisconsin Investment Board (SWIB); or (c) selecting a private investment firm using the current law competitive sealed proposal process. Specify that the Board would not be required to deposit revenues from its auxiliary enterprises,

gifts, grants, donations, and segregated fees collected for building projects in the State Investment Fund if the Board invests those moneys as specified in (a), (b), or (c). Modify the UW System's program revenue appropriations for general program operations and gifts and nonfederal grants and contracts to include earnings from the investment of revenues from its auxiliary enterprises, gifts, grants, donations, and segregated fees collected for building projects.

In addition, provide that SWIB would invest the UW System's auxiliary enterprises revenues, gifts, grants, donations, and segregated fees collected for building projects if contracted to do so by the Board of Regents. Specify that SWIB would invest these moneys in accordance with the terms of the contract with the Board of Regents and the SWIB's standard of responsibility.

33. TRANSFER OF CONTINUOUS SERVICE BENEFITS

Joint Finance: Provide that the administrator of the Division of Personnel Management in the Department of Administration and the Board of Regents and the UW-Madison Chancellor would enter into a memorandum of understanding (MOU). Specify that the MOU would permit employees of the UW System who are appointed to positions in other state agencies to receive credit for their years of service with the UW System for the purposes of transferring continuous service benefits, including accumulated sick leave. Specify that the administrator of the Division of Personnel Management would promulgate rules necessary to implement the provisions of the MOU.

34. APPLICANTS FOR UW POSITIONS

Joint Finance: Provide that current law regarding the release of the names of applicants to state positions other than those in the classified service would not apply to positions in the UW System. Instead, provide that the names of applicants who are seriously considered for appointment or whose names are certified for appointment, and whose name is submitted for final consideration to an authority for appointment, to the following UW positions would be subject to release under public records law: (a) the UW System President; (b) UW System senior vice presidents and vice presidents; (c) the Chancellor of each UW institution; and (d) the vice chancellor who serves as a deputy at each institution. Specify that this provision would first apply to requests to inspect or copy a record that are made on the effective date of the bill.

35. ACCOUNTABILITY MEASURES

Joint Finance: Require the Board of Regents to identify accountability measures in all of the following areas: (a) financial management; (b) administrative management; (c) educational performance; and (d) research and economic development. Specify that the Board must submit the accountability measures identified to the Chief Clerk of each house by October 1, 2015, for distribution to the appropriate standing committees and approval by those committees.

36. CREATE A DEFINITION OF UNIVERSITY STAFF

Joint Finance: Delete the current law definition of "classified staff" from the statutory chapter governing the UW System. Create a definition in that chapter for "university staff" and specify that "university staff" would mean all employees of the UW System other than faculty, academic staff, persons whose employment is a necessary part of their training, student assistants, and student hourly help. Replace current law references to UW classified staff with references to university staff. Delete current law references to the unclassified service, unclassified employees, and the classified service where those terms refer to UW employees. On July 1, 2015, all UW employees will be transferred to new personnel systems that are separate and distinct from the state personnel system. Beginning on that date, UW employees will no longer be part of the state unclassified and classified service.

37. OFFICE OF EDUCATIONAL OPPORTUNITY

Joint Finance: Require the Board of Regents to create the Office of Educational Opportunity within the UW System to act as a new authorizer of independent charter schools. Require the UW System President to appoint a special assistant to serve as the Director of the Office no later than 120 days after the effective date of the bill. Specify that the Director would serve at the pleasure of the President and require the Board to set the salary range for the Director position.

Require the Office to evaluate proposals for charter school contracts, monitor pupil academic performance at charter schools authorized by the Office, and monitor the overall operations of charter schools authorized by the Office. Provide that the Director of the Office may: (a) appoint up to two associate directors; (b) form advisory councils to make recommendations for authorizing charter schools; (c) collaborate with chancellors, faculty, academic staff, and students within the UW System; and (d) solicit private gifts and grants for charter schools established by the Office. Specify that the Director could contract for the establishment of a charter school located only in school districts with membership over 25,000 pupils (currently Milwaukee and Madison).

Require the Director to report to the Board any private gift or grant received by the Office and how the Director intends to use the private gift or grant. Specify that, if the Office receives a private gift or grant, the Director must use the gift or grant, or invest the same in the case of moneys, as specified by the donor or grantor. Provide that, in the absence of any specific direction as to the use of the gift or grant, the Director may, at his or her sole discretion, determine the use or investment of the gift or grant to support the Office or any charter school authorized by the Office. Specify that the Board may not exercise control over a private gift or grant received by the Office. Provide that any private gift or grant received by the Office would be exempt from current law regarding gifts, grants, and bequests to the UW System or any of its institutions, departments, or facilities.

For information on the financing of charter schools authorized by the Office, see "Public Instruction -- Choice, Charter and Open Enrollment."

Create UW System Authority

The Governor's budget bill would have converted the UW System to a public authority on July 1, 2016. The Joint Finance Committee did not approve the Governor's proposal to convert the UW System to a public authority and deleted most of the provisions related to that proposal. The Joint Finance Committee did approve some of the provisions related to the Governor's proposal to convert the UW System to a public authority, as well as some provisions that were similar to provisions included in the Governor's proposal, while retaining the UW System as a state agency. These provisions, along with the provisions related to the Governor's proposal to convert the UW System to a public authority that were deleted by the Joint Finance Committee, are described in the following section. All items described in this section that were approved by the Joint Finance Committee would take effect on the effective date of the bill.

1. CONVERT UW SYSTEM TO UW SYSTEM AUTHORITY [LFB Paper 675]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	- 18,223.61	18,223.61	0.00
PR	- 10,722.97	10,722.97	0.00
FED	- 5,579.63	5,579.63	0.00
Total	- 34,526.21	34,526.21	0.00

Governor: Create the UW System Authority as a public body corporate and politic on July 1, 2016, and convert the UW System to the UW System Authority on that date. Provide for all of the following related to the conversion of the UW System and the UW System Authority: (a) current members of the Board of Regents would continue to serve as members of the Board of Regents of the UW System Authority until the expiration of the terms to which they were appointed; (b) the assets and liabilities, as determined by the DOA Secretary, of the UW System would become the assets and liabilities of the UW System Authority; (c) all UW System employees would become employees of the UW System Authority and that UW System employees who were employed by the UW System Board of Regents prior to July 1, 2016, would be eligible to transfer to state civil service positions before July 1, 2017; (d) all tangible personal property, including records, of the UW System, as determined by the DOA Secretary, would become personal property of the UW System Authority; (e) any matter pending with the UW System on July 1, 2016, would be transferred to the UW System Authority and all materials submitted to or actions taken by the UW System would be considered to have been submitted to or taken by the UW System Authority; (f) all contracts and agreements entered into the UW System that are in effect on July 1, 2016, would remain in effect and would be transferred to the UW System Authority; (g) the UW System Authority would carry out any obligations under those contracts and agreements unless modified or rescinded to the extent allowed under the contract or agreement; (h) all policies of the UW System Board of Regents in effect on July 1, 2016, would remain in effect until their specified expiration dates or until amended or repealed

by the UW System Authority; and (i) all orders issued by the UW System Board of Regents in effect on July 1, 2016, would remain in effect until their specified expiration dates or until modified or rescinded by the UW System Authority.

Specify that (b), (c), and (d) above would not apply to the assets, liabilities, employees, and tangible personal property, including records, primarily related the State Laboratory of Hygiene and the Veterinary Diagnostic Laboratory as determined by the DOA Secretary. The State Laboratory of Hygiene and the Veterinary Diagnostic Laboratory would be transferred to the Department of Agriculture, Trade, and Consumer Protection under a separate provision.

In addition, modify statutory references to the University of Wisconsin System to read "the University of Wisconsin Authority."

Joint Finance: Delete provision.

2. LEASE OF STATE-OWNED PROPERTY AND FACILITIES

Governor: Require the Board of Regents to negotiate and enter into a lease agreement for an initial period of not more than 75 years with the Secretary of the Department of Administration to lease any state-owned property or facilities required for the Board to perform its duties and exercise its powers. Specify that the lease agreement include provisions to accomplish all of the following:

a. Require the Board to pay a nominal fee to the state for leasing property and facilities under the agreement. The amount of this fee, which would be determined by the parties, should be sufficient to prevent the lease agreement from being unenforceable because of a lack of consideration.

b. Require the Board to conduct its operations in such a way that it will not adversely affect the tax exempt status of bonds issued by the state.

c. Give the state ownership of any improvements or modifications made by the Board to property or facilities leased under the agreement and any facility that the Board constructs on state-owned land.

d. Require the Board to obtain the approval of the Building Commission for any construction or renovation project involving a state-owned facility or occurring on state-owned land, if the cost of the project is at least $760,000. This provision would apply regardless of the source of funds used to finance the project.

e. Require the Authority to make payments for principal and interest costs incurred in financing self-amortizing university facilities and to make payments under an agreement or ancillary arrangement with the Building Commission.

f. Make the Board responsible for maintenance and upkeep of the facilities and property leased under the agreement.

g. Ensure that the general management and operation of the facilities and property leased under the lease agreement are consistent with the duties and powers of the Board.

h. Establish a mechanism for the resolution of disputes.

Provide that the Board would submit the lease agreement described above and any subsequent modification, extension, or renewal to the Joint Committee on Finance. Specify that no extension or renewal of the lease agreement could exceed a period of 75 years. Provide that the lease agreement and any modification, extension, or renewal would take effect only upon the approval of the Joint Finance Committee.

In addition, provide that the Building Commission and DOA would not have the authority to sell or lease any state-owned real property leased to the UW System Authority.

Joint Finance: Delete provision.

3. CREATE A STATE SYSTEM OF HIGHER EDUCATION

Governor: As part of the statutory chapter that would establish the proposed UW System Authority, include a statement that would create a state system of higher education to be known as the University of Wisconsin System and to be provided by the University of Wisconsin System Authority. The UW System would be created in recognition of the constitutional obligation to provide by law for the establishment of a state university at or near the seat of state government, and for connecting with the same, from time to time, such colleges in as different parts of the state as the interest of education may require. The UW System would have as its purpose to: (a) enable students of all ages, backgrounds, and levels of income to participate in the search for knowledge and individual development; (b) foster diversity of educational opportunity; (c) promote service to the public; and (d) promote internal coordination and the wisest possible use of resources. As under current law, the principal office and one university of the System would have to be located at or near the seat of state government.

Under current law, in addition to (a) through (d) above, the UW System's goals include all of the following: (a) stress undergraduate teaching as its main priority; (b) offer selected professional graduate and research programs with emphasis on state and national needs; (c) make effective and efficient the use of human and physical resources; and (d) function cooperatively with other educational institutions and systems.

Joint Finance: Delete provision.

4. UW SYSTEM AUTHORITY BOARD OF REGENTS

Governor: Delete the UW System Board of Regents and create the UW System Authority Board of Regents. Provide that the UW System Authority Board of Regents would have the same membership as the UW System Board of Regents under current law except that the bill does not specify that the terms of citizen members should be staggered. As under current law, all members nominated by the Governor would be subject to the advice and consent of the Senate

and vacancies would be filled in the same manner as the original appointment for the remainder of the unexpired term. As under current law, Board members would not be compensated for their service but could be reimbursed for actual and necessary expenses related to their service.

Require the Regents to elect a chairperson annually and permit the election of other officers as considered appropriate by the Board. Under current law, the Regents elect a president, vice president, and secretary annually. In addition, delete the requirement that the Board appoint a secretary to keep a faithful record of all its transactions.

Provide that no cause of action may rise against, and no civil liability could be imposed upon, a Regent for any act or omission in the performance of his or her powers and duties under Chapter 36 (University of Wisconsin System Authority) of state statutes. This provision would not apply if the person asserting the liability proves that the act or omission constitutes willful misconduct.

Delete the Board of Regents staff that is provided by the Department of Administration (DOA). Under current law, DOA is required to provide two unclassified full-time equivalent positions to staff the Board of Regents.

In addition, modify a current law to require that the Board provide in its operating policies for access to the Board by the public, faculty, students, and employees, instead of by the public, faculty, students, and chancellors as under current law.

Joint Finance: Approve the Governor's recommendation to delete the requirement that the Department of Administration provide two unclassified full-time equivalent positions to staff the Board of Regents. Otherwise, delete the provision, which would maintain current law regarding the UW System Board of Regents.

5. GENERAL RESPONSIBILITIES OF THE BOARD OF REGENTS

Governor: Provide that the responsibility for governance of the UW System be vested in the Board of Regents which would: (a) adopt policies and procedures for governing the UW System; (b) plan for the future needs of the state, including workforce needs, for university education; (c) ensure the diversity of quality undergraduate programs while preserving the strength of the state's graduate training and research centers; and (d) provide affordable access to high-quality postsecondary, graduate, and doctoral education. Provide that the Board would possess all powers necessary or convenient for the operation of the UW System and the implementation of Chapter 36 (University of Wisconsin System Authority), including the following powers in connection with its projects and program, in additional to all other powers granted by that Chapter: (1) the power to sue and be sued, to have a seal and to alter the seal at pleasure, to have perpetual existence, to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the Board, to contract for legal services, and to make, amend, and repeal bylaws; and (2) the power to accept gifts, loans, and other aid.

This differs from current law in that: (a) the Regents would adopt policies and procedures for governing the UW System instead of enacting policies and promulgating rules for the same

purpose; (b) statutes would explicitly define "needs of the state" to include workforce needs; (c) language requiring the Regents to promote the widest degree of institutional autonomy within the controlling limits of systemwide policies and priorities established by the Board would be deleted; (d) language requiring the Board to provide affordable access to high-quality postsecondary, graduate, and doctoral education would be added; (e) cross-references to the authority of the State Building Commission and the Department of Administration to sell or lease state-owned property would be deleted; (f) the Board would have all powers necessary or convenient for the implementation of the chapter in addition to the operation of the UW System; and (g) the Board would be granted additional powers as specified in (1) and (2) above.

With regard to the acceptance of gifts, delete all of the following: (a) language prohibiting the Board of Regents from accepting any gift, grant, or bequest of real property with a value of more than $150,000 or any gift, grant, or bequest of a building or structure that is constructed for the benefit of the UW System or any UW institution without prior approval of the Building Commission; (b) language specifically allowing the Board of Regents to accept a gift of a motor vehicle; (c) language limiting the amount of income that may be accumulated related to a gift to the UW System to 20 times the amount of the original gift; (d) language prohibiting the Board from investing more than 85% of trust funds held by the Board in common stock; and (e) language specifying that gifts should not knowingly be invested in companies that discriminate on the basis of race, religion, color, creed, or sex.

Joint Finance: Delete provision.

6. ESTABLISH UW SYSTEM MISSION

Governor: Establish the UW System mission as being to develop human resources to meet the state's workforce needs; to discover and disseminate knowledge; and to develop in students heightened intellectual, cultural, and human sensitivities, scientific, professional, and technological expertise, and a sense of purpose.

Under current law, the mission of the UW System is as follows: "to develop human resources, to discover and disseminate knowledge, to extend knowledge and its application beyond the boundaries of its campuses and to serve and stimulate society by developing in students heightened intellectual, cultural and humane sensitivities, scientific, professional and technological expertise and a sense of purpose. Inherent in this broad mission are methods of instruction, research, extended training and public service designed to educate people and improve the human condition. Basic to every purpose of the system is the search for truth."

Joint Finance: Delete provision.

7. INSTITUTIONAL MISSIONS AND EDUCATIONAL PROGRAMS

Governor: Provide that the Board may, after a public hearing at an institution, establish for the institution a mission statement delineating specific program responsibilities and types of degrees to be granted. Provide that the Board would determine the educational programs to be offered in the UW System and may discontinue educational programs as it deems necessary.

Provide that the Board would establish policies to guide program activities to ensure that they are compatible with the mission of the institutions of the UW System.

This differs from current law in that: (a) the establishment of institutional mission statements is made optional instead of being required; and (b) a requirement that the Board make all reasonable effort to provide night courses is deleted.

Joint Finance: Delete provision.

8. REPRESENTATION BY THE ATTORNEY GENERAL

Governor: Provide that Department of Justice would provide the following services to the Board of Regents of the UW System Authority and to any official, employee, or agent of the Board of Regents: (a) appear and prosecute or defend all actions and proceedings, civil or criminal, in the Court of Appeals and the Supreme Court, in which the Board is a party or has an interest, and attend to and prosecute or defend all civil cases sent or remanded to any circuit court, in which the Board is a party; (b) as requested by the Governor or either house of the Legislature, appear for and represent the Board of Regents or any official, employee, or agent thereof, whether required to appear as a party or witness in any civil or criminal matter, and prosecute and defend in any court or before any officer, any cause or matter, civil or criminal in which the Board or the people of this state have an interest; (c) as requested by the Board of Regents or UW System chief executive officer, the Attorney General may appear for and defend the Board of Regents or any officer, employee, or agent thereof in any civil action or other matter brought before a court or an administrative agency which is brought against the Board, officer, employee, or agent for or on account of any act growing out of or committed in the lawful course of an officer's, employee's, or agent's duties; and (d) as requested by the Board of Regents or the UW System chief executive officer, the Attorney General may appear for and represent any Board official, employee, or agent who is required to appear as a witness in any administrative or civil matter. These provisions would not apply if the state and the Authority were adverse parties. These services would be the same as those provided to the UW System as a state agency under current law except that under the bill the Attorney General would not prosecute or defend the UW System Authority at the request of the Board of Regents or the UW System chief executive officer in actions stemming from breach of contract and would not have the authority to compromise and settle an action involving the UW System Authority described in (c) above as he or she determines to be in the best interest of the state.

Joint Finance: Delete provision.

9. ADMINISTRATIVE RULES, POLICIES, AND PROCEDURES

Governor: Authorize the UW System Authority Board of Regents to promulgate rules in the following areas in which the UW System Board of Regents is authorized to promulgate rules under current law: (a) to protect the lives, health, and safety of persons on property under the jurisdiction of the Board, to protect such property, and to prevent obstruction of the functions of the UW System; and (b) for the management of all property under its jurisdiction, for the care

and preservation thereof, and for the promotion and preservation of the orderly operation of the UW System in any or all of its authorized activities and in any or all of its institutions. Require the UW System Authority Board of Regents to promulgate rules governing the times, places, and manner in which political literature may be distributed and political campaigning may be conducted in state-owned residence halls as the UW System Board of Regents is required to do under current law. Provide that rules promulgated by the UW System Board of Regents in these areas that are in effect on July 1, 2016, would remain in effect until their specified expiration date or until amended or repealed by the UW System Authority Board of Regents.

Provide that current law regarding administrative rules would apply to the UW System Authority and that rules promulgated by the UW System Authority Board of Regents would be included in the Wisconsin administrative register and be part of the Wisconsin Administrative Code. Provide that the exclusive means of judicial review of the validity of rules promulgated by the UW System Authority would be an action for declaratory judgment as to the validity of the rule brought in circuit court. Additional provisions regarding judicial review of administrative rules that apply to rules promulgated by state agencies would not apply to rules promulgated by the UW System Authority.

Delete the current law provision allowing the Board of Regents to use statutory citation procedures to recover forfeitures resulting from a violation of rules promulgated by the Regents under (b) above.

Provide that the UW System Authority Board of Regents would adopt policies and procedures, instead of promulgate rules as the UW System Board of Regents is required to do under current law, in the following areas: (a) the definition of continuation or termination of student status during periods between academic periods; (b) governance of the system, planning for the future needs of the state, including workforce needs, for university education, ensuring the diversity of quality undergraduate programs while preserving the strength of the state's graduate training and research centers, and providing affordable access to high-quality postsecondary, graduate, and doctoral education; (c) related to conflicts of interest; (d) paid sick leave; (e) student conduct and the administration of violations; (f) accommodation of religious beliefs with regard to examinations and other academic requirements; and (g) food services plans for elderly persons. Specify that policies and procedures related to sick leave would not be required to include a provision allowing employees to accumulate unused sick leave. In addition, provide that the Board may adopt policies and procedures, instead of promulgate rules as under current law, related to granting preference in housing to Wisconsin residents.

Provide that policies or procedures adopted by the Board of Regents would not be subject to current law regarding the promulgation of administrative rules. Modify current law permitting the Board of Regents to obtain injunctive relief to enforce Chapter 36 of state statutes (University of Wisconsin System Authority) and any rules promulgated by the Board to also permit the Board to obtain injunctive relief to enforce policies and procedures adopted by the Board. In addition, delete references in a separate chapter to UW System rules and the promulgation of rules by the Board.

Joint Finance: Delete provision.

10. PARKING RULES, FEES, AND FINES

Governor: Provide that the UW System Authority Board of Regents could promulgate rules regarding the removal and disposal of abandoned vehicles and could make general policies and authorize chancellors to adopt rules regulating the parking of motor vehicles on property under their jurisdiction, as under current law. Provide that any such rules adopted by the UW System Board of Regents or chancellors that are in effect on July 1, 2016, would remain in effect until their specified expiration date or until amended or repealed by the UW System Authority Board of Regents. Delete language specifying that parking fines imposed for violations of parking rules be used only for the purpose of developing and operating parking or other transportation facilities at the institution at which collected and for enforcing parking rules.

Delete language requiring the Board of Regents to direct each institution to charge parking fees and the specification that these fees be sufficient to recover the costs of the construction and maintenance necessary for parking facilities.

Joint Finance: Delete provision.

11. LOBBYING

Governor: Provide that the UW System Authority would be treated as a state agency for the purpose of state law regarding lobbying. Under current law, state agencies are not required to register with, or submit expense statements to, the Government Accountability Board (GAB). State agencies are required to annually submit by January 31 and July 31 a statement to the GAB identifying the officers and employees of that agency whose duties include attempting to influence legislative action. Agency officers and employees are not required to apply to the GAB for a lobbyist license. In addition, current law specifies that the following actions are not considered to be lobbying when taken by a state agency: (a) providing requested information to a legislator or legislative committee; (b) lobbying of an official of a different agency; and (c) requesting information from a person or providing requested information to a person.

In addition, delete a current law provision permitting UW System officers and employees to accept items of pecuniary value from an association, corporation, limited liability company, partnership, or other entity that employs a lobbyist, for service as a member of the governing board of that association, corporation, limited liability company, partnership or entity. The current law provision specifies that the value of such items must not exceed the value of such items provided to other members of the governing body for the same service.

Joint Finance: Delete provision.

12. ESTABLISH ANNUAL BUDGETS

Governor: Provide that the Board would establish the Authority's annual budget and monitor the fiscal management of the Authority. Provide that the Board would allocate funds and adopt budgets for the respective institutions. Specify that if the Board ceases or suspends operation of any institution or UW Colleges campus, any appropriation to the Board for

operation of the institution or UW Colleges campus could be utilized by the Board for any other purpose authorized by the appropriation within the period for which it was made. Require the Board to provide the Secretary of the Department of Administration with such financial and statistical information as is required by the Secretary.

This differs from current law in that: (a) the Board would be required to establish an annual budget and monitor the fiscal management of the Authority; (b) current law requiring the Board to give consideration to the principles of comparable budgetary support for similar programs and equitable compensation for faculty and academic staff with comparable training, experience, and responsibilities and recognizing competitive ability to recruit and retain qualified faculty and academic staff in adopting the budgets for respective institutions would be deleted; and (c) the requirement that the Board provide the DOA Secretary with the above information would be added.

Joint Finance: Delete provision.

13. GPR FUNDS PROVIDED QUARTERLY

Governor: Provide that beginning on July 1, 2016, the DOA Secretary would make quarterly payments to the UW System Authority in an amount equal to one-quarter of the UW System Authority's GPR appropriation for general program operations. Specify that the DOA Secretary would only make such payments if the UW System Authority had made the payments due under its lease agreement with the state, the payments due for municipal services, and any other payments for any obligation otherwise due to the state.

In addition, provide that Joint Committee on Finance would have the authority to reduce the GPR general program operations appropriation for the UW System Authority as an emergency measure in the case of decreased state revenues. Under current law, this provision applies to the appropriations of all state boards, commissions, and departments, and to the UW System, with certain appropriations being exempt from any reduction.

Joint Finance: Delete provision.

14. FUTURE GPR FUNDING LEVELS [LFB Paper 680]

Governor: Provide that $753,533,000 in general sales and use taxes would be used to fund the amount shown in the appropriations schedule for the UW System Authority's GPR general program operations appropriation in 2017-18. Provide that, beginning in 2018-19, the amount of general sales and use taxes used to fund the amount shown in the schedule for the UW System Authority's GPR general program operations appropriation would be the amount used for that purpose in the previous year adjusted to reflect any changes in the U.S. consumer price index for all urban consumers (CPI-U) for the 12 month period ending on the preceding December 31.

It should be noted that while it appears that the Governor's intention is to provide $753,533,000 GPR to the UW System Authority in 2017-18 and to provide that amount adjusted

by CPI-U in future years, under the bill the amount of GPR funding that the UW System Authority would receive would be the amount shown in the appropriation schedule. If the Legislature wishes to accomplish the Governor's intent, it should also modify the appropriation language under Chapter 20 of the statutes.

In addition, the amount of general sales and use tax revenue that the Governor's budget would provide to the UW System Authority in 2017-18 would be $21,313,500 less than the $774,846,500 GPR that would be appropriated to Authority in 2016-17 under the bill. When combined with the $128,686,500 proposed GPR base budget reduction in 2016-17, this would result in an ongoing GPR base budget reduction of $150,000,000 for the UW System Authority.

Joint Finance: Delete provision.

15. BIENNIAL BUDGET REQUESTS

Governor: Require the UW System Authority to submit a budget request to the Department of Administration and the Legislative Fiscal Bureau by September 15 of each even-numbered year, as the UW System is required to do as a state agency under current law. Delete language requiring the Board to specify the anticipated completion date of all research and public service projects for which the Board requests state general purpose revenue in its biennial budget request.

Joint Finance: Delete the provision requiring the UW System Authority to submit a budget request. The UW System, as a state agency, would continue to be required to submit a budget request as under current law.

Approve the Governor's recommendation to delete current law requiring the Board to specify the anticipated completion date for all research and public service projects for which the Board requests state general purpose revenue in its biennial budget request.

16. DEPOSIT OF CASH BALANCES IN THE LOCAL GOVERNMENT POOLED-INVESTMENT FUND [LFB Paper 675]

Governor: Require the UW System Authority to transfer daily to the State Treasurer for deposit into the local government pooled-investment fund, which is invested in the state investment fund, the collected net cash balance from all sources except auxiliary enterprises, segregated fees accumulated for building projects, and gifts, grants, and donations. Under current law, UW System cash balances are deposited in a separate account in the state investment fund.

In addition, delete a current law provision specifying that the State Treasurer acts as the treasurer of the Board of Regents.

Joint Finance: Delete the Governor's provision that would have required the UW System Authority to transfer daily to the State Treasurer for deposit into the local government pooled-investment fund the collected net cash balance from all sources except auxiliary enterprises, seg-

regated fees accumulated for building projects, and gifts, grants, and donations.

Approve the Governor's recommendation to delete current law specifying that the State Treasurer acts as the treasurer of the Board of Regents.

17. APPLICATION FOR AND ACCEPTANCE OF FEDERAL FUNDS

Governor: Delete the requirement that the Board of Regents report to the Governor and the Co-Chairpersons of the Joint Committee on Finance annually, by October 1, the date, amount, and purpose of any federal moneys accepted by the Board for instruction, extension, special projects, or emergency employment in the preceding fiscal year.

Under current law, the Governor accepts federal funds on behalf of the state except that the Board of Regents is permitted to accept federal moneys on behalf of the state for the purposes listed above. Current law also exempts the UW System from a requirement that agencies submit plans, budgets, applications, and proposals required by federal agencies as a precondition to the receipt of federal funds to the Governor for approval prior submitting such materials to federal agencies. Under the bill, the Board of Regents would continue to have the authority to accept certain federal funds on behalf of the state and to submit plans, budgets, applications, and proposals to federal agencies without prior approval of the Governor.

Provide that the UW System Authority would not be subject to the statewide indirect cost allocation plan developed by the Department of Administration (DOA) and would not be required to prepare an individual, specific, indirect cost allocation plan at the request of DOA. The UW System Authority would also not be required to use the procedures prescribed by DOA to allocate and charge central services costs to selected federal grants and contracts and would also not be limited in its use of indirect cost reimbursements. In addition, a current law provision requiring state agencies to notify the State Auditor prior to accepting a federal grant that may involve the provision of auditing services by the Legislative Audit Bureau would not apply to the UW System Authority.

Provide that the UW System Authority would not be required to do the following: (a) notify DOA and the Joint Committee on Finance of federal disallowances of more than $10,000; (b) submit quarterly reports to the DOA Secretary regarding such federal disallowances; and (c) submit for approval by the DOA Secretary a proposal to resolve such a disallowance. Under current law the UW System as a state agency is required to do all of the above with regard to federal disallowances except that the UW System can resolve federal disallowances of less than $5,000 without prior approval by the DOA Secretary of a proposal to do so.

Joint Finance: Delete provision.

18. EXEMPTION FROM PROPERTY, CORPORATE, AND SALES AND USE TAXES

Governor: Exempt all property owned by the UW System Authority and all property leased to the UW System Authority by the state from property tax provided that the use of the

property is primarily related to the purposes of the Authority. In addition, provide that the UW System Authority would be exempt from the state's corporate income tax and sales and use taxes.

Joint Finance: Delete provision.

19. PAYMENT OF MUNICIPAL SERVICES

Governor: Beginning July 1, 2016, require the UW System Authority to make payments for municipal services provided to facilities of the Authority that are exempt from property tax. Under current law, the Department of Administration makes payments for municipal services on behalf of the UW System from a GPR appropriation for that purpose. Delete language specifying that resident tuition revenue not be used for the payment of municipal services. In addition, require the UW System Authority to pay DOA its proportionate share of the negotiated payments for municipal services for municipal services provided to the UW System in the 2015-16 fiscal year prior to July 1, 2017.

As under current law, DOA, which has primary responsibility for the negotiation of municipal services payments, may delegate certain responsibilities for the negotiation of those payments to the UW System Authority. Municipalities would continue to be prohibited from withholding services to the UW System Authority during these negotiations.

Joint Finance: Delete provision.

20. PAYMENT FOR EXTRAORDINARY POLICE SERVICES

Governor: Provide that the UW System Authority would pay for extraordinary police services provided to facilities owned by the Authority or leased from the Authority by the state. Under current law, the state pays for extraordinary police services provided to UW facilities.

Joint Finance: Delete provision.

21. EMPLOYMENT BY THE UW SYSTEM AUTHORITY BOARD

Governor: Provide that the Board may employ any agent or employee that the Board finds necessary and shall appoint the state geologist, the director of the psychiatric institute, and the state cartographer. In addition, require the Board of Regents to appoint and fix the compensation of a chief executive officer of the UW System Authority who would serve at the pleasure of the Board.

Under current law, the Board is required to appoint all of the following in addition to the four specific positions listed above: (a) a president of the system; (b) a chancellor of each institution; (c) a dean for each college campus; (d) the requisite number of officers, other than the vice presidents, associate vice presidents, and assistant vice presidents of the UW System; (e) faculty; (f) academic staff; and (g) other employees. The Board is also required to fix the term of office for each employee appointed and to fix the duties and the salaries, subject to statutory limitations, of all appointed employees and the vice presidents, associate vice presidents, and

assistant vice presidents of the UW System. (Under current law, UW System vice presidents, associate vice presidents, and assistant vice presidents are appointed by the UW System President, not the Board of Regents.)

In addition, delete current law that would take effect on July 1, 2015, which would designate the UW System and the UW-Madison Chancellor as the appointing authority for positions.

Joint Finance: Delete provision.

22. PERSONNEL SYSTEMS

Governor: Require the Board of Regents to develop and implement a personnel structure and other employment policies for all employees of the UW System Authority. Specify that the UW System Authority would not be subject to state law regarding employment relations or to oversight by the Director of the Office of State Employment Relations (the administrator of the Division of Personnel Management in the Department of Administration under the bill).

Delete language authorizing the Board of Regents and the UW-Madison Chancellor to develop personnel systems for all UW System employees. Under current law these personnel systems are required to include the following: (a) salary ranges for the UW System President, UW System senior, associate, and assistant vice presidents, chancellors, vice chancellors, assistant chancellors, assistant and associate vice chancellors, and administrative directors and associate directors of physical plant, general operations and services, and auxiliary enterprises; and (b) a civil service system, a grievance procedure that addresses employee terminations, and provisions that address employee discipline and workforce safety.

Joint Finance: Delete provision. Instead, modify two current law references to persons who are assigned to university senior executive salary groups and delete one such reference to conform with other changes made under 2011 Act 32 related to the creation of the UW personnel systems.

23. EMPLOYEE PARTICIPATION IN WRS AND GROUP HEALTH AND SALARY DEDUCTIONS

Governor: Provide that the UW System Authority would be considered a state agency for the purpose of employee participation in the Wisconsin retirement system, group health insurance, and other benefit programs administered by the Department of Employee Trust Funds. Provide that the UW System Authority, and other state authorities, would be required to make payments to the state related to pension obligation bonds issued by the state, and that the Secretary of the Department of Administration (DOA) could require direct payments to the state by state agencies, including authorities, rather than lapses or transfers. Under current law, the DOA Secretary transfers amounts from the appropriations of the UW System and all state agencies to fund principal and interest payments related to pension obligation bonds. In addition, delete language requiring the Board of Regents to permit employees to accumulate unused sick leave.

Provide that any UW System Authority employee may request in writing to have part of his or her salary deducted and paid by the Authority to a designated payee for the following purposes: (a) purchase of savings bonds; (b) payment of amounts owed by the employee to the Authority, a state agency, or the UW Hospitals and Clinics Authority; (c) payment of child support, maintenance payments, or family support; (d) payment of premiums for group hospital and surgical-medical insurance or plan, group life insurance, and other group insurance where such insurance or plans are provided and approved by the group insurance board; (e) other group or charitable purposes approved by the Governor and DOA; (f) payment into an employee-funded reimbursement account maintained by an employee-funded reimbursement account provider; or (g) payment into a health savings account. In addition, an employee of the Authority may request in writing that a specified part of his or her salary be deferred under a deferred compensation plan. Provide that the UW System Authority would be responsible for making deductions from an employee's salary if a portion of that employee's income has been assigned to child support or maintenance payments. Under current law, the UW System may make deductions from an employee's salary for the purposes described above due to its status as a state agency.

Delete current law that specifically permits the Board to make salary reductions related to deferred compensation programs and the purchase of annuities for employees and to deduct contributions from the salaries of football coaches for a pension plan. Delete current law permitting the Secretary of the Department of Administration to require the appropriate UW System payroll processing center to process forms, papers, deductions, checks, and drafts related to the garnishment of the earnings of UW employees.

Joint Finance: Approve the Governor's recommendation to delete current law that permits the Board of Regents to deduct contributions from the salaries of football coaches who are eligible and wish to participate in the qualified pension plan for football coaches established as the American football coaches retirement trust. Otherwise maintain current law regarding UW employee participation in the Wisconsin retirement system (WRS), group health insurance, and other benefit programs administered by the Department of Employee Trust Funds, and salary deductions.

24. AUTHORITY TO SET EMPLOYEE SALARIES [LFB Paper 681]

Governor: Delete current law requiring the Director of the Office of State Employment Relations (OSER) to submit pay plan recommendations for UW employees to the Joint Committee on Employment Relations (JCOER) and delete UW System pay plan supplemental appropriations. Under the bill, JCOER would not approve a compensation plan for UW employees and the UW System Authority would not receive pay plan supplements.

Delete current law prohibiting the Board of Regents from increasing salaries for UW employees other than as provided in the pay plan approved by JCOER or to correct salary inequities, fund job reclassifications or promotions, or recognize competitive factors. Delete the requirement that the Board report annually to the Joint Committee on Finance, the DOA Secretary, and the OSER Director regarding the amounts of salary increases granted to recognize

competitive factors.

In addition, delete the requirement that the Board of Regents establish salaries for UW employees, other than new appointments, prior to July 1 of each fiscal year.

Joint Finance: Maintain current law requiring the OSER Director to submit pay plan recommendations for UW employees to JCOER and restore UW System pay plan supplemental appropriations. In addition, specify that the Board of Regents may not certify any amount to supplement its budget to the Department of Administration to pay the cost of salary and other adjustments approved by JCOER for UW employees during the 2015-17 biennium. Under this provision, the UW System would not receive pay plan supplements from the compensation reserve during the 2015-17 biennium, but could receive pay plan supplements in future biennia. Under a separate budget provision, $7,928,000 GPR in 2015-16 and $13,385,500 GPR in 2016-17 would be provided to fund the GPR portion of estimated increases in fringe benefit costs for UW employees during the 2015-17 biennium.

Modify current law prohibiting the Board of Regents from increasing salaries for UW employees except under certain conditions to permit the Board to provide salary increases to recognize merit. Under this provision, the Board would be authorized to increase the salary of a UW employee as follows: (a) as provided in the pay plan approved by JCOER for such employees, which may authorize merit adjustments; (b) to correct salary inequities; (c) to fund job reclassifications or promotions; (d) to recognize competitive factors; and (e) to recognize merit. In addition, maintain the current law requirement that the Board report annually to the Joint Committee on Finance, the DOA Secretary, and the OSER Director regarding the amounts of salary increases granted to recognize competitive factors.

Maintain the current law requirement that the Board of Regents establish salaries for UW employees, other than new appointments, prior to July 1 of each fiscal year.

25. GPR POSITION AUTHORITY AND REPORTING [LFB Paper 681]

Governor: Delete current law restrictions on the ability of the UW System Board of Regents and the UW-Madison Chancellor to create or abolish positions funded from revenues appropriated under the UW System's GPR appropriation for general program operations. Under current law, the UW System Board of Regents and the UW-Madison Chancellor have the authority to create or abolish positions funded with revenues from any appropriation other than the UW System's GPR appropriation for general program operations. Under the bill, the Board of Regents would have the authority to employ any agent or employee that it finds necessary. The UW-Madison Chancellor would not have this authority.

Delete statutory language stating that is the intent of the Legislature that the UW System provide position and other information to DOA and the Legislature to facilitate accountability for and trace each position over time.

Joint Finance: Delete provision. Instead, modify current law to require the Board of Regents to report annually by November 1, instead of quarterly, to DOA and the Co-Chairs of

the Joint Finance Committee regarding the number of full-time equivalent positions created or abolished by the Board in the previous 12 month period. Specify that these reports should be based on the October 1 payroll. In addition, delete current law specifying that positions authorized for the UW System not be included in any state position report beginning on July 1, 2015.

26. DELETE LANGUAGE RELATED TO FACULTY TENURE AND PROBATIONARY APPOINTMENTS

Governor/Joint Finance: Delete the definition of a "tenure appointment" and language establishing the conditions under which the Board of Regents may grant a tenure appointment to a faculty member. Delete current law specifying that a person who has been granted tenure may be dismissed only for just cause and only after due notice and hearing.

In addition, delete the definition of "probationary appointment" and provisions limiting the length of such an appointment to seven years.

27. DELETE PROCEDURAL GUARANTEES FOR FACULTY AND ACADEMIC STAFF

Governor: Delete current law specifying that academic staff members may only be dismissed for just cause and only after due notice and hearing. Delete language establishing certain positions as limited appointments and providing that a person who has been granted tenure or who holds an academic staff appointment does not lose that appointment by accepting a limited appointment. Delete provisions allowing the Board of Regents to make fixed term appointments for student assistants and employees-in-training and specifying that persons in those positions do not have the same procedural guarantees as faculty and academic staff members.

Delete language permitting the Board of Regents to terminate faculty and academic staff members in the case of a financial emergency. Delete language prohibiting the Board from employing a person within two years to perform reasonably comparable duties to those of a person whose appointment was terminated due to a financial emergency without first offering such person a reappointment.

Joint Finance: Delete provision. Instead, provide that, beginning on July 1, 2015, the Board of Regents could not appoint an academic staff member to a probationary or indefinite term academic staff appointment. Specify that an academic staff member who holds a probationary appointment on June 30, 2015, would hold a fixed term appointment effective July 1, 2015. Modify current law to specify that the policies for indefinite appointments made before July 1, 2015, would provide for permanent status and such other conditions of appointment as the Board establishes. Delete current law specifying that if in any institution all professional librarians with appropriate graduate degrees have formerly been ranked faculty, then all present and future appointments of professional librarians with appropriate graduate degrees should be ranked faculty except where the Chancellor and faculty designate that such appointments would

be academic staff.

In addition, modify current law to specify that the Board may, with appropriate notice, terminate any faculty or academic staff appointment when such an action is deemed necessary due to a budget or program decision requiring program discontinuance, curtailment, modification, or redirection, instead of when a financial emergency exists as under current law. Provide that the Board, after consultation with the faculty and Chancellor of each institution, adopt procedures to be followed in the event of termination of faculty and academic staff Specify that those procedures be consistent with the following provisions.

Provide that the Board may, with appropriate notice, layoff or terminate any faculty member when such an action is deemed necessary due to a budget or program decision requiring program discontinuance, curtailment, modification, or redirection. Specify that such layoffs or terminations may be made only in accord with the following provisions and imply the retention of rights as indicated below. Specify that a nonrenewal, regardless of the reason, is not a layoff or termination for the purpose of the following provisions. Specify that "layoff" means an indefinite suspension or involuntary reduction in services and compensation of a faculty member's employment by the UW System. Specify that "termination" means the permanent elimination of a faculty member's employment by the UW System.

Specify that in the case that faculty members terminated due to budget or a program decision regarding program discontinuance, curtailment, modification, or redirection, layoffs would follow seniority unless a clear and convincing case is made that program or budget needs dictate other considerations such as the need to maintain diversity of specializations within a department. Provide that the faculty of each institution would determine the form of seniority that is to be considered and that such a determination would be effective uniformly throughout the institution. Specify that seniority may be defined as follows or in other ways: (a) without regard to rank, with seniority established by total years of service in the institution; (b) by rank, and within rank according to total years of service in the institution; and (c) by rank, and within rank, according to length of service in the institution at that rank.

Specify that each faculty member who is to be laid off would receive prompt written notification from the Chancellor. Specify that prior to issuing a layoff notification, the Chancellor would offer to consult with, and seek advice from, a faculty committee designated or created by the faculty of the institution. Specify that the notification include all of the following: (a) a summary of the reasons supporting the need for the layoff; (b) a statement of the basis on which the individual position was selected for elimination (if on the basis of seniority, the criterion used and data supporting the choice; if on another basis, the data and reasons supporting that choice); (c) a statement of the date on which the layoff is to be effective; and (d) a copy of the statutes regarding layoff of faculty due to a budget or program decision regarding program discontinuance, curtailment, modification, or redirection and such other information or procedural regulations as the Chancellor deems appropriate.

Provide that, in the case of the layoff of faculty due to a budget or program decision regarding program discontinuance, curtailment, modification, or redirection, notification must be given at least 12 months in advance of the effective date. Specify that during this period, and

prior to entering layoff status, the Chancellor may offer as appropriate, and the faculty member may accept: (a) terminal leave and early retirement; or (b) relocation leave accompanied by resignation. Specify that acceptance of either of these options would terminate the faculty member's association with the UW System at the end of the leave period.

Provide that the faculty of each institution would establish a committee or designate an existing committee to serve as a hearing committee. Specify that the committee would consist of faculty members of the institution chosen by the faculty in a manner to be determined by the faculty. Provide that, if the faculty of an institution is given due notice but does not establish or designate a committee to serve as a hearing committee, the Chancellor may appoint a committee of faculty members to provide this function. Specify that this standing faculty committee would conduct the hearing, make a verbatim record of the hearing, prepare a summary of the evidence, and transmit the record and summary along with its recommended findings of law and decision to the Board of Regents.

Provide that a faculty member who has been notified of layoff is entitled to a hearing before the faculty hearing committee as to the appropriateness of the decision to layoff that particular individual. Specify the budget or program decisions made to discontinue, curtail, modify, or redirect a program would not be subject to review in the hearing. Specify that the hearing must be requested within 20 days of the receipt by the faculty member of notification of layoff. Provide that the request would state with particularity the grounds to be relied upon in establishing the impropriety of the decision. Provide that relevant information supplementary to that contained in the notification statement may be requested.

Specify that the question to be considered in the review is whether one or more of the following improper factors entered into the decision to lay off: (a) conduct, expressions, or beliefs on the faculty member's part that are constitutionally protected, or protected by the principles of academic freedom; (b) factors proscribed by applicable state or federal law regarding fair employment practices; or (c) improper selection of the individual to be laid off. Provide that "improper selection" has occurred if material prejudice resulted from any of the following: (a) the procedures required by the Board were not followed; (b) available data bearing materially on the role of the faculty member in the institution were not considered; (c) unfounded or arbitrary assumptions of fact were made; or (d) immaterial or improper factors other than those specified above entered into the decision. Specify that the committee would determine whether one or more of these improper factors entered significantly into and affected the layoff decision on the basis of the evidence presented. Provide that if the committee believes that one or more improper factors may have entered into the layoff decision but is convinced that the same decision would have been reached had the error or errors not occurred, the committee would find the decision to have been proper. Specify that the committee would report its findings and recommendations to the Chancellor and the faculty member.

Provide that, if the faculty hearing committee requests, the Chancellor would provide legal counsel to the committee for a hearing to review a layoff decision. Specify that the hearing would be closed unless the faculty member who has been notified of layoff requests an open hearing, in which case the hearing would be open. Provide that the faculty hearing committee may, on motion of either party, disqualify any one of its members for cause by a majority vote.

Specify that if one or more of the faculty hearing committee members disqualifies him or herself or is disqualified, the remaining members of the committee could select a number of other members of the faculty equal to the number who have been disqualified to serve. Specify that alternative methods of replacing hearing committee members who have been disqualified may be specified in the rules and procedures adopted by the faculty in establishing the hearing committee. Provide that a faculty member who participated in the decision to layoff or who is a material witness could not sit in on the faculty hearing committee.

Specify that the faculty member who has been notified of layoff would be given at least 10 days notice of the hearing. Provide that the hearing would not be held later than 20 days after the hearing is requested except that this time limit may be extended by mutual consent of the parties or by order of the faculty hearing committee. Provide that the faculty member would have access to the evidence on which the administration intends to rely to support the decision to layoff and would be guaranteed all of the following minimal safeguards at the hearing: (a) a right to be heard on his or her own behalf; (b) a right to counsel or other representatives or both, and to offer witnesses; (c) a right to confront and cross-examine adverse witnesses; (d) a verbatim record of the hearing, which may be a sound recording, provided at no cost; (e) written findings of fact and decision based on the hearing record; and (f) admissibility of evidence as described in s. 227.45 (1) to (4), Wisconsin Statutes. Provide that adjournments would be granted to enable either party to investigate evidence as to which a valid claim of surprise is made.

Specify that the layoff decision of the Chancellor and the recommendations, if any, of the faculty hearing committee, would be transmitted to the UW System President and to the Board of Regents. Provide that, if the faculty member has not requested a hearing before the faculty hearing committee, the Chancellor's decision would be deemed proper and would be reported for information to the UW System President and the Board. Provide that, if the faculty member has requested a hearing and the faculty hearing committee has found the decision to be proper, the report of the faculty hearing committee would be forwarded to the UW System President and the Board of Regents by the Chancellor with a recommendation. Specify that the faculty member may request a review by the Board and that the Board review panel may at its option grant a review. Provide that, if the Board review panel does not grant the request for review, the recommended findings of fact and decision of the faculty committee would be the final decision of the Board.

Provide that, if the faculty member has requested a hearing and the faculty hearing committee has found the decision to be improper, the Chancellor would review the matter and give careful consideration to the committee's finding. Specify that, if the Chancellor accepts the committee's findings, the Chancellor's decision would be final. Provide that, if the Chancellor contests the recommended findings that the decision was improper, the verbatim record, a summary of the evidence, and the recommended findings of law and decision would be forwarded to the Board review panel. Specify that the Chancellor and the faculty member would be furnished with copies of this material and would have a reasonable opportunity to file written exceptions to the summary and proposed findings and decision and to argue with respect to them orally and in writing before the Board review panel. Provide that the Board review panel would hear and decide the case and the decision of the Board review panel would be final.

Provide that the Board review panel would be appointed by the President of the Board of Regents and would include three members of the Board and two nonvoting staff members from the UW System Office of Academic Affairs. Specify that the panel would review the criteria and reasoning of the Chancellor and the findings and recommendations of the faculty hearing committee in each case forwarded for its review, and would reach a decision on the recommendation to be approved. Provide that the decision of the Board review panel would be final and binding upon the Chancellor and the faculty member affected. Specify that one or more of the members of the Board serving on the Board review panel could request that the decision be reviewed by the full Board in which case the record would be reviewed, and a decision would be reached, by the full Board.

Provide that a faculty member who is laid off would retain the rights described in this and the following five paragraphs. Provide that a faculty member whose position has been eliminated or reduced in accordance with the above provisions would, at the end of the appropriate notice period, be placed on layoff status, unless the layoff notice were to be rescinded prior to that time. Specify that a faculty member who is placed on layoff status would remain on layoff status until any of the following occurs: (a) the period of the faculty member's appointment expires under its own terms; (b) the faculty member is reappointed to the position from which he or she was laid off; (c) the faculty member accepts an alternative continuing position in the UW System; (d) the faculty member resigns; or (e) the faculty member fails to notify the Chancellor by December 1 of each year that the faculty member is on layoff as to his or her location, employment status, and desire to remain on layoff status. Specify that failure to accept a reappointment under (b) or failure to provide notice of the desire to remain on layoff status under (e) would terminate the faculty member's association with the UW System. Specify that failure to accept an alternative appointment under (c) would not terminate the faculty member's association with the UW System.

Provide that each institution would devote its best efforts to securing alternative appointments within the institution in positions for which the faculty laid off under the above provisions are qualified under existing criteria. Specify that the UW System would provide financial assistance for one year for faculty who are designated for layoff to readapt within the department or within another department of the institution, where readaptation is feasible. In addition, specify that the UW System would devote its best efforts to ensure that faculty members laid off or terminated at any institution are made aware of openings within the UW System.

Provide that a faculty member who is terminated would retain the rights described in the following two paragraphs. Provide that each institution would establish administrative procedures and policies regarding the employment of persons to perform reasonably comparable duties to those of a faculty member who has been laid off or terminated under the above provisions within three years of the layoff or termination. Specify that, if the institution were to employ a person to perform such duties, these policies and procedures would require the institution to first offer the laid off or terminated faculty member reappointment without loss of seniority or other rights. Specify that the three-year period would be computed from the effective date of layoff as specified in the original notice.

Provide that any faculty member who is reappointed within three years after layoff or termination would be reappointed with a rank and salary at least equivalent to the rank and salary of the faculty member when the faculty member was laid off or terminated. Specify that such a faculty member would be reappointed with such other rights and privileges that may have accrued at that time. Provide that any faculty member who is relocated within an institution or within the UW System would not have either his or her rank or salary adversely affected except by consent at the time of relocation.

Provide that, in addition to rights related to reappointment described above, a faculty member on layoff status under the above provisions would have all of the following minimal rights: (a) the right to participate in fringe benefit programs as is allowed by state statutes and rules governing rights of laid off state employees; (b) the right of continued use of campus facilities as is allowed by policies and procedures established by the department and institution; and (c) the right to participate in departmental and institutional activities as is allowed by guidelines established by the department and institution.

Provide that the commitment to systemwide tenure within UW institutions that were formerly state universities would be honored by those institutions for faculty members who held tenure appointments at the time of the merger of the University of Wisconsin and the Wisconsin State Universities and for faculty members who held probationary appointments at the time of the merger and were subsequently granted tenure.

28. COLLECTIVE BARGAINING FOR CERTAIN EMPLOYEES

Governor: Provide that the UW System Authority would be subject to the municipal employment relations law, instead of the state employment labor relations law as under current law, and delete all references to the UW System and UW System and UW-Madison employees under the state employment labor relations law. Provide that the Board of Regents would be required to adopt a resolution if the UW System Authority wishes to increase the total base wages of UW employees who are part of a collective bargaining unit by a percentage amount that exceeds the percentage increase in the consumer price index. Provide that this resolution would not take effect unless it is approved in a referendum.

Specify that the rights of municipal employees would not extend to academic staff, faculty, and police officers employed by the UW System Authority. These rights include the right to self-organization; to form, join, or assist labor organizations; to bargain collectively through representatives of their own choosing; and to engage in lawful, concerted activities for the purpose of collectively bargaining or other mutual aid or protection. Under current law, UW System faculty and academic staff do not have the right to collectively bargain.

Joint Finance: Delete provision. UW employees would continue to be subject to state employment labor relations law.

In addition, provide that the Board of Regents establish and maintain consistent employment relations policies and practices for all UW System employees except UW System employees assigned to UW-Madison. Provide that the UW-Madison Chancellor establish and

maintain consistent employment relations policies and practices for all UW System employees assigned to UW-Madison. Modify current law to specify that the administrator of the Division of Personnel Management in the Department of Administration establish and maintain, wherever practicable, consistent employment relations policies and practices throughout the state service except with respect to UW System employees.

29. CODE OF ETHICS

Governor: Provide that the president and members of the Board of Regents, the UW System president, vice presidents, associate and assistant vice presidents, and the chancellors and vice chancellors of all UW System institutions would continue to be required to file statements of economic interests with the Government Accountability Board as under current law. Individuals holding these positions would also continue to be required to conform to the standards of conduct for public officials.

In addition, provide that the Board of Regents would be required to establish a code of ethics for UW System personnel other than those listed above, as under current law. In contrast to current law, UW System personnel who are not considered public officials would be exempt from potential fines and imprisonment for intentionally violating the code of ethics adopted by the Board of Regents under the bill.

Joint Finance: Delete provision.

30. CIVIL LIABILITY OF UW EMPLOYEES

Governor: Limit the amount recoverable by any person or entity for any damages, injuries, or death in any civil action or civil proceedings against an officer or employee of the UW System Authority to $250,000. Specify that no punitive damages may be allowed or recoverable in any such action.

Provide that the UW System Authority would pay the amount of any judgment or costs against an officer or employee of the UW System Authority in excess of any applicable insurance. This provision would apply if the following conditions are met: (a) the defendant in any action or special proceeding is an officer or employee of the UW System Authority; (b) the defendant is proceeded against in an official capacity or due to acts committed while carrying out duties as an officer or employee of the UW System Authority; and (c) the jury or court finds that the defendant was acting within the scope of employment. Specify that these provisions, except the $250,000 limit, would not apply to an action or proceeding by the state against an officer or employee of the UW System Authority.

In addition, provide that the UW System Authority would not be treated as a political corporation for the purpose of current law regarding claims against governmental bodies, officers, and employees.

Joint Finance: Delete provision.

31. SABBATICAL LEAVE

Governor: Delete provisions authorizing the Board of Regents to grant sabbatical leave to instructional faculty. Under current law, the Board may grant sabbatical leave of up to one year to faculty members who have completed six or more years of full-time instructional service. Current law limits sabbatical leave to one leave for each six years of full-time instructional service.

Provide that the Board of Regents would determine which members of the faculty are on sabbatical for the purpose of contributions to the Wisconsin Retirement System.

Joint Finance: Delete provision.

32. LIMITS ON DUAL EMPLOYMENT

Governor: Provide that the UW System Authority would be subject to current law limits regarding dual employment. Under current law, an individual who is employed in a full-time position is prohibited from holding any other position with a state agency or authority created by state law for which the individual receives more than $12,000 in compensation in a year. This provision does not apply to additional compensation received by UW System employees from the UW System for work performed in addition to their regular duties.

Joint Finance: Delete provision.

33. UW EMPLOYEES NOT COVERED BY STATE WHISTLEBLOWER LAW

Governor: Provide that UW System Authority employees would not be covered by a current law provision allowing a state employee to bring an action in circuit court against his or her employer if the employer retaliates against the employee for lawfully disclosing information that demonstrates one of the following: (a) a violation of any state or federal law, rule, or regulation; and (b) mismanagement or abuse of authority in state government, a substantial waste of public funds, or a danger to public health and safety.

Joint Finance: Delete provision.

34. SERVICE BY EMPLOYEES AS ELECTION OFFICIALS

Governor: Require the UW System Authority to permit each of its employees to serve as an election official without loss of fringe benefits or seniority privileges earned for scheduled working hours during election days, without loss of pay for scheduled working hours during election days, and without any other penalty. Provide that any amount of compensation an employee receives for serving as an election official while on such paid leave should be deducted from his or her salary and authorize the UW System Authority to make such deductions. Under current law these provisions apply to all state agencies including the UW System.

Joint Finance: Delete provision.

35. FREQUENCY OF PAYMENT OF EMPLOYEES

Governor: Specify that a current law provision requiring that employers pay every employee at least monthly would not apply to UW System Authority employees. Under current law this provision does not apply to UW System unclassified employees.

Joint Finance: Delete provision.

36. ABILITY TO HOLD, SELL, AND LEASE PROPERTY

Governor: Provide that, subject to its lease agreement with the state, the Board may purchase, have custody of, hold, control, possess, lease, grant easements and enjoy any lands, buildings, books, records, and all other property of any nature which may be necessary and required for the purposes, objects, and uses of the UW System authorized by law. Provide that the Board may sell or dispose of any property owned by the UW System Authority when in its judgment it is for the best interest of the UW System and the state.

Delete current law requiring the Board to deposit a sufficient amount of the proceeds from the sale of property in the bond and security redemption fund to repay the outstanding principal and interest related to the property sold if there is outstanding debt related to that property. Delete provisions specifying that the net proceeds of the sale of property other than property received as a gift, financed with gifts, or financed with federal revenues, be deposited in the UW System's program revenue appropriation for general program operations. This appropriation would be deleted under the bill.

Joint Finance: Delete provision.

37. AUTHORITY TO ISSUE BONDS

Governor: Provide that the UW System Authority could issue bonds for any corporate purpose. Specify that all bonds would be negotiable for all purposes, notwithstanding their payment from a limited source. Specify that all bonds issued by the Authority would be payable solely from the funds pledged for their payment in accordance with the bond resolution authorizing their issuance or in any trust indenture or mortgage or deed of trust executed as security for the bonds.

Specify that bonds issued by the Authority would not be debt of the state and that the state would not be liable for such bonds. Require that all bonds issued by the Authority would contain a statement to this effect on their face. Provide that a bond issue would not obligate the state or a political subdivision to levy a tax or make any appropriation to pay the bonds. Specify that nothing in these disclaimers would prevent the Authority from pledging its full faith and credit to the payment of these bonds.

Provide that the state would pledge not to limit or alter the rights vested in the Authority before the Authority has fully met and discharged the bonds, and any interest due on the bonds, and has fully performed its contracts, unless adequate provision is made by law for the protection

of the bondholders or those entering into contracts with the Authority.

Provide that the following entities may invest in bonds issued by the UW System Authority: counties, cities, villages, town school districts, drainage districts, technical college districts, or other governing boards; the Board of Commissioners of Public Lands; the State of Wisconsin Investment Board; banks, trust companies, savings banks or institutions, savings and loan associations, credit unions or investment companies, or personal representatives, guardians, trustees, or other fiduciaries.

Joint Finance: Delete provision.

38. OVERSIGHT BY THE STATE BUILDING COMMISSION [LFB Paper 682]

Governor: Provide that only UW System Authority building projects that are financed with general purpose revenues would require prior approval by the Building Commission. Provide that the Building Commission's biennial recommendations regarding the long-range state building program would include building projects proposed by the UW System Authority. Delete the requirement that the Board establish a process for the submission of building projects to the Building Commission for approval and delete language prohibiting the Board from submitting projects to the Building Commission for approval unless those projects have been developed and approved by the Board using that process.

Provide that the sale or lease of state-owned residence halls for the purpose of alternate use to another state agency or nonstate, nonprofit agency by the Board of Regents would require the approval of the Building Commission as under current law.

Delete current law prohibiting the Board of Regents from accepting any gift, grant, or bequest of real property with a value of more than $150,000, or any gift, grant, or bequest of a building or structure that is constructed for the benefit of the UW System or any UW institution, without prior approval by the Building Commission. Delete provisions specifying that all purchases of real property by the Board of Regents are subject to approval by the Building Commission.

Delete language prohibiting the Board from permitting a facility that would be privately owned or operated to be constructed on state-owned land without prior approval of the Building Commission. Under the terms of the lease between the state and the UW System Authority, the Board of Regents would be required to obtain approval from the Building Commission for any construction or renovation project involving a state-owned facility or occurring on state-owned land if the cost of the project is at least $760,000 regardless of fund source.

Delete current law prohibiting the Board of Regents from designating any part of a state building project that requires approval by the Building Commission as a separate building project.

Joint Finance: Approve the Governor's recommendation to delete the current law requirement that the Board establish a process for the submission of building projects to the Building Commission for approval and to delete current law prohibiting the Board from

submitting projects to the Building Commission for approval unless those projects have been developed and approved by the Board using that process.

Otherwise, maintain current law regarding oversight of the UW System by the State Building Commission, except as provided in items in the previous section regarding gift and grant funded building projects and energy conservation projects funded through the state's master lease program.

39. DOA INVOLVEMENT IN UW SYSTEM AUTHORITY BUILDING PROJECTS AND LEASES [LFB Paper 682]

Governor: Provide that the Department of Administration (DOA) would do all of the following but only with regard to UW System Authority building projects that are financed, in whole or in part, with state GPR: (a) review and approve plans and specifications; (b) periodically review progress; and (c) take charge of and supervise all engineering and architectural services. DOA would not do (a) through (c) for UW System Authority building projects that are financed entirely with funds other than state GPR. In addition, DOA would not approve the appointment of a principal engineer or architect for any UW System Authority projects, including those funded with state GPR, and would not furnish engineering, architectural, project management, and other building construction services to UW System Authority projects.

Provide that DOA would conduct the bidding process for UW System Authority building projects if the cost of the project is more than $760,000 and the project is not funded entirely with gifts and grants. Specify that if DOA conducts the bidding process for a UW System Authority project, it would do so at no cost to the Authority.

Delete language requiring the Board to prescribe bidding procedures to be used for building projects for which DOA does not conduct the bidding process. Under current law, the Board is required to submit its proposed bidding procedures to the Building Commission and the Joint Committee on Finance for review and approval and both the Building Commission and the Joint Finance Committee have approved the Board's bidding procedures.

Delete language making the DOA responsible for UW System leases and delete the exemption from DOA bidding for construction work performed by UW System students that is part of a curriculum and where the work is course-related for the students involved.

Joint Finance: Delete the provisions related to DOA involvement in, and bidding of, UW System Authority building projects. DOA would continue have all of the duties related to UW System building projects as it does under current law, except as provided in the items in the previous section regarding gift and grant funded building projects and energy conservation projects funded through the state's master lease program.

Approve the Governor's recommendation to delete current law requiring the Board to prescribe bidding procedures to be used for building projects for which DOA does not conduct the bidding process. In addition, modify current law to specify that the Department of

Administration would have responsibility for leases of real property to be occupied by the Board only with regard to property to be used as student housing. Specify that leases of property used as student housing that are in effect on the effective date of the bill would be the responsibility of the Board regardless of any subsequent extension, modification, or renewal. Provide that all leases of real property to be occupied by the Board for use other than for student housing would be the responsibility of the Board. Restore the current law exemption from DOA bidding for construction work performed by UW System students that is part of a curriculum and where the work is course-related for the students involved.

In addition, provide that DOA would assess the UW System for services provided related to a building project that is funded entirely by program revenues or program revenue supported borrowing on a fee-for-service basis. Specify that the total amount of fees assessed by DOA related to such a project could not exceed four percent of the total cost of the project. Specify that these modifications relating to DOA fees would first apply to services provided on the bill's effective date.

40. DELETE ELIGIBILITY FOR DOA ENERGY CONSERVATION PROJECTS

Governor: Provide that the UW System Authority would not be eligible to receive funding for energy conservation projects from the Department of Administration. Under current law, the UW System may receive funding for such projects due to its status as a state agency.

Joint Finance: Delete provision.

41. AGREEMENTS WITH UW HOSPITALS AND CLINICS AUTHORITY

Governor: Require that the Board of Regents carry out its obligations under the lease and affiliation agreements with the UW Hospitals and Clinics Authority that are currently in effect. Specify that, except for the lease between the UW System Authority and the state, any lease by the Board would be subject to the powers of the UW Hospitals and Clinics Authority under current law to construct and improve facilities on state-owned land and the rights of the UW Hospital and Clinics Authority under the lease agreement with the Board. Specify that any modification, extension, or renewal of the lease or affiliation agreement would require approval of the Joint Committee on Finance, as under current law. In the case that JFC does not approve an extension or renewal of either of the agreements, the on-campus facilities and any improvements, modifications, or other facilities would transfer to the Board of Regents, as under current law.

Joint Finance: Delete provision.

42. COMPLIANCE OF BUILDING PROJECTS WITH STATE CODE, EXEMPTION FROM MUNICIPAL ORDINANCES AND REGULATIONS

Governor: Require that every building, structure, or facility constructed for the benefit or

use of the UW System Authority be in compliance with all applicable state laws, rules, codes, and regulations. Specify that such construction would be exempt from the ordinances or regulations of the municipality in which it takes place except zoning. As a state agency, the UW System is subject to this requirement and exemption under current law.

Joint Finance: Delete provision.

43. INVENTORY OF REAL PROPERTY

Governor: Require the UW System Authority to submit to DOA by January 1 of each even-numbered year an inventory of all real property under its jurisdiction and to specifically identify any underutilized assets in the inventory as all state agencies, including the UW System, are required to do under current law. Consistent with current law, the UW System Authority would not be required to submit an estimated fair market value for each property.

Joint Finance: Delete provision.

44. PROCUREMENT AUTHORITY [LFB Paper 683]

Governor: Provide that, for the purpose of procurement, the UW System Authority would be treated as a municipality instead of as a state agency as under current law. As a municipality, the UW System Authority would not be subject to state law regarding procurement by state agencies. Under the bill, DOA would be able to enter into cooperative purchasing agreements with the UW System Authority and the UW System Authority would be able to enter into purchasing agreements with other municipalities. DOA would also have the authority to assess the UW System Authority for any procurement services provided to the Authority.

Provide that the UW System Authority would also be exempt from the following provisions which apply to authorities other than the UW Hospitals and Clinics Authority and the Lower Fox River Remediation Authority under current law: (a) incorporate in purchasing specifications requirements for the purchase of products made from recycled or recovered materials if their use is technically and economically feasible; (b) incorporate in purchasing specifications requirements related to recyclability and ultimate disposition of products and, wherever possible, write the specifications so as to minimize the amount of solid waste generated; (c) award orders and contracts for materials, supplies, or equipment on the basis of life cycle costs estimates; (d) make purchasing selections to maximize the purchase of materials utilizing recycled and recovered materials; and (e) ensure that the average recycled or recovered content of all paper purchased, as a proportion, by weight, is not less than 40% of all purchased paper.

Provide that, as an authority, the UW System Authority would be required to do the following: (a) purchase energy consuming equipment costing more than $5,000 per unit and of a type for which DOA has prescribed applicable standards only if the specifications meet the applicable standards or, if such equipment is not reasonably available, ensure that the equipment purchased maximizes energy efficiency to the extent technically and economically feasible; and

(b) not enter into any contract or order for the purchase of materials, supplies, equipment, or contractual services with a person who the Secretary of the Department of Revenue certifies as not collecting and remitting sales and use taxes.

Provide that all contracts executed by the UW System Authority would include a provision obligating the contractor not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability, sexual orientation, or national origin and, except with respect to sexual orientation, obligating the contractor to take affirmative action to ensure equal employment opportunities. Provide that the UW System Authority would be primarily responsible for obtaining compliance by contractors with the nondiscrimination and affirmative action provisions required by law and that DOA may delegate to the UW System Authority the responsibility to investigate alleged violations of these provisions. If the UW System Authority determines that there has been a violation of the nondiscrimination and affirmative action provisions, the UW System Authority would do all of the following: (a) immediately inform the violating party of the violation; (b) direct the violating party to take action necessary to halt the violation; (c) direct the violating party to take action necessary to correct, if possible, any injustice to any person adversely affected by the violation; and (d) direct the violating party to take immediate steps to prevent further violations and to report its corrective actions.

Under current law, contracting agencies, the UW Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, and the Bradley Center Sports and Entertainment Corporation are required to include nondiscrimination and affirmative action provisions as described above in all contracts, are primarily responsible for obtaining compliance by contractors with those provisions, and, in the case of the violation of those provisions, are required to do (a) through (d) as described above.

Joint Finance: Delete provision. Instead, provide that the Board would develop polices related to procurement and specify that these policies would not be promulgated as rules. Provide that the Board of Regents would submit its procurement policies to the Joint Finance Committee and that the Joint Finance Committee would submit its approval of the policies to the Legislative Reference Bureau (LRB). Provide that, upon receipt of the approval, LRB would publish a notice in the Wisconsin Administrative Register that states the date on which the approval was submitted. Beginning on that date, current law related to purchasing by state agencies would not apply to the UW System and the Board of Regents would be authorized to purchase all necessary materials, supplies, equipment, all other permanent personal property and miscellaneous capital, and contractual services for the UW System. Provide that on that date DOA or its agents could enter into an agreement with the UW System under which either of the parties may agree to participate in, administer, or conduct purchasing transactions under a contract for the purchase of materials, supplies, equipment, permanent personal property, miscellaneous capital, or contractual services.

45. TRAVEL POLICIES

Governor: Delete a current law provision exempting UW officers and employees from

DOA travel policies. As an authority, the UW System Authority would not be subject to DOA travel policies.

Joint Finance: Delete provision.

46. PARTICIPATION IN RISK MANAGEMENT PROGRAMS

Governor: Provide that UW System Authority could participate in the risk management programs coordinated by DOA, except that DOA would not be required to arrange for worker's compensation insurance for the UW System Authority. Specify that if the UW System Authority would elect not to participate in the risk management programs coordinated by DOA in any fiscal year, it would have to provide written notification to DOA by July 1 of the preceding fiscal year and that nonelection would have to be approved by DOA. If approved, the UW System would not participate in the risk management programs coordinated by DOA in subsequent years unless it provides written notice to DOA by July 1 of the preceding fiscal year that it elects to participate in those programs and DOA approves that election. Authorize the Board to procure insurance against loss in connection with the Authority's property and other assets and add "agents" to the list of persons for whom the Board of Regents may procure liability insurance coverage.

Delete a current law provision prohibiting the Board of Regents from using GPR to pay for insurance to cover injuries sustained by students as a result of their participation in intercollegiate athletics.

Joint Finance: Delete the provision related to participation by the UW System Authority in the risk management programs coordinated by DOA. The UW System, as a state agency, would continue to participate in these programs.

Approve the Governor's recommendation to delete a current law provision that prohibits the Board of Regents from using GPR to pay for insurance to cover injuries sustained by students as a result of their participation in intercollegiate athletics. In addition, approve the Governor's recommendation to add "agents" to the list of persons for whom the Board of Regents may procure liability insurance.

47. EXEMPT UW SYSTEM AUTHORITY FROM STATE PRINTING LAW

Governor: Provide that the UW System Authority would not be subject to state law related to state printing contracts. Under current law, the Department of Administration is, in general, responsible for printing UW System materials except for printing published by UW System students that is funded solely from student fees or student organization income and printing jobs costing less than $50.

Joint Finance: Modify the Governor's recommendation to exempt the UW System as a state agency, rather than as a public authority, from state law related to printing contracts.

48. OVERSIGHT OF INFORMATION TECHNOLOGY (IT) PROJECTS

Governor: Modify the current law requirement that the Board of Regents submit a report regarding IT projects within the UW System to the Joint Committee on Information Policy and Technology (JCIPT) annually by March 1 and September 1 to specify that the report should only include information regarding IT projects that are funded, in whole or in part, with GPR and that have actual or projected costs of greater than $1,000,000. Under current law the Regents are required to report on all IT projects that have actual or projects costs of greater than $1,000,000 or that have been identified by the Board as being large, high-risk IT projects regardless of the source of funds for the project.

Delete the authority of JCIPT to review UW System IT projects identified in the report described above to determine whether the project should be continued or implemented and delete the authority of JCIPT to forward recommendations regarding such projects to the Governor and Legislature. In addition, delete the authority of JCIPT to direct the Board of Regents to prepare and submit additional reports to that committee.

Delete the requirement that the UW System, each UW institution, and each UW Colleges campus submit annually to the Board of Regents a strategic plan for the utilization of information technology. Delete the requirement that the Board of Regents consult with the JCIPT in providing guidance for planning by the UW System, UW institutions, and UW Colleges campuses. Delete the requirement that the Board of Regents develop and adopt written policies for IT development projects that either exceed $1,000,000 or that are vital to the functions of the UW System, UW institutions, and UW Colleges campuses.

Delete the requirement that the Board of Regents submit an annual report to the Governor and JCIPT documenting the use by the UW System, each UW institution, and each UW Colleges campus of master leases to fund IT projects in the previous fiscal year.

Delete the requirement that the Board of Regents, the UW System, each UW institution, and each UW Colleges campus include in each contract with an IT vendor that involves a large, high-risk IT project or that has a projected cost of greater than $1,000,000 a stipulation requiring the vendor to submit to the Board for approval any order or amendment that would change the scope of the contract and have the effect of increasing the contract price.

Delete the requirement that the UW System, each UW institution, and each UW Colleges campus that has entered into an open-ended contract for the development of IT to submit to the Board quarterly reports documenting the amount expended on the IT development project. Delete the requirement that these quarterly reports be compiled and submitted annually to JCIPT.

Delete the requirement that the Board of Regents promulgate all of the following: (a) a definition of and methodology for identifying large, high-risk information technology projects; (b) standardized, quantifiable project performance measures for evaluating large, high-risk information technology projects; (c) policies and procedures for routine monitoring of large, high-risk IT projects; (d) a formal process for modifying IT project specifications when necessary to address changes in program requirements; (e) requirements for reporting changes in estimates of cost or completion date to the Board of Regents and JCIPT; (f) methods for

discontinuing projects and modifying projects that are failing to meet performance measures in such a way to correct performance problems; (g) policies and procedures for the use of master leases to finance new, large, high-risk IT system costs and maintain current large, high-risk IT system; (h) a standardized progress point in the execution of large, high-risk IT projects at which time the estimated costs and date of completion of the project is reported to the Board and JCIPT; (i) a requirement that the UW System, each UW institution, and each UW Colleges campus review commercially available IT products prior to initiating work on a customized IT development project to determine whether any commercially available product could meet the IT needs of the UW System, UW institution, or UW Colleges campus; (j) procedures and criteria to determine when a commercially available IT product must be used and when the UW System, UW institution, or UW Colleges campus may consider the modification or create of a customized IT product; and (k) a requirement that the UW System, each UW institution, and each UW Colleges campus submit for approval by the Board prior to initiating work on a customized IT product a justification for the modification or creation by the UW System, UW institution, or UW Colleges campus of a customized IT product.

Delete language excluding the Board of Regents from DOA oversight of IT and telecommunications and assessments for these services. As an authority, the UW System would continue to be exempt from DOA oversight and assessments in these areas.

In addition, delete the requirement that the Board of Regents collect and maintain data necessary to calculate numerical measures of the efficiency and effectiveness of the mainframe computer services provided by the Board at UW-Madison.

Joint Finance: Delete provision.

49. ACCESS BY THE LEGISLATIVE FISCAL BUREAU

Governor: Provide that the Legislative Fiscal Bureau would have access to the UW System Authority at all times, with or without notice, and to any books, records, or other documents related to expenditures, revenues, operations, and structure maintained by the UW System Authority. Under current law the Fiscal Bureau has this access to the UW System due to its status as a state agency.

Joint Finance: Delete provision. The Legislative Fiscal Bureau would continue to have access to the UW System due to its status as a state agency.

50. ACCESS AND AUDITS BY THE LEGISLATIVE AUDIT BUREAU

Governor: Provide that the UW System Authority would be considered a state department for the purpose of access and audits by the Legislative Audit Bureau. Under current law, the Audit Bureau has access to the UW System due to its status as a state agency. Specify that the Audit Bureau may review the procedures by which the UW System makes decisions and sets priorities or the manner in which such decisions and priorities are implemented within the UW System to the extent that such review is not inconsistent with the powers and duties of the UW

System Authority Board of Regents. Under the bill, the Legislative Audit Bureau would continue to conduct the annual financial audit of the UW System Authority that it conducts under current law.

Joint Finance: Delete provision. The Legislative Audit Bureau would continue to have access to the UW System due to its status as a state agency.

Specify that the Legislative Audit Bureau would not conduct a financial audit of the UW System for the 2015-16 and 2016-17 fiscal years as would otherwise be required under current law. Instead, provide that the Board of Regents would contract with an independent accounting firm licensed by the accounting examining board for the purposes of conducting an annual financial audit of the UW System for fiscal years 2015-16 and 2016-17. Specify that the accounting firm would report to the Board of Regents and would provide all of the following to the Board of Regents, the Governor, the Joint Legislative Audit Committee, and the Joint Finance Committee: (a) the audited financial statements; (b) performance improvement observations; and (c) a management letter complete with internal control deficiencies and audit differences. Provide that the independent accounting firm with which the Board of Regents contracts may use the Legislative Audit Bureau to assist in conducting the audit to the extent the work relied upon does not modify the audit opinion with the exception of accepting the prior year's unqualified opinion.

51. DOA ACCESS TO UW SYSTEM AUTHORITY FINANCIAL INFORMATION

Governor: Provide that the Secretary of the Department of Administration (DOA) and DOA employees as designated by the DOA Secretary would have the authority to do the following: (a) enter the offices of the UW System Authority; (b) examine the books and accounts of the UW System Authority and any other matter that in the DOA Secretary's judgment should be examined; and (c) interrogate UW System Authority employees publicly or privately regarding the books, accounts, and matters examined. Provide that the UW System Authority would be required to cooperate with the DOA Secretary and comply with every request of the DOA Secretary related to his or her functions.

Require the UW System Authority to provide to the DOA Secretary all information relating to its financial transactions requested by the DOA Secretary and to render such assistance in connection with the preparation of the state budget report, the budget bill, and in auditing accounts as required by the DOA Secretary or Governor. Provide that the DOA Secretary and his or her employees would have free access to all financial accounts of the UW System Authority and that the UW System Authority would be required to assist the DOA Secretary in preparing estimates of receipts and expenditures for inclusion in the state budget report. Require the UW System Authority to furnish information concerning anticipated revenues and expenditures as required by the DOA Secretary for effective control of state finances.

Under current law, the DOA Secretary has all of the authorities listed above and the UW System has all of the duties listed above due to the UW System's status as a state agency.

Joint Finance: Delete provision.

52. EXEMPT RESEARCH AND STUDIES FROM PUBLIC INSPECTION

Governor: Provide that any authority may withhold from public inspection information in a record that is produced or collected by or for the faculty or staff employed by the UW System Authority in the conduct of, or as the result of, study or research on a commercial, scientific, or technical subject, until that information is publicly disseminated or patented. This provision would apply whether the research was sponsored by the UW System Authority alone or in conjunction with an authority or a private person.

Under current law this information is subject to the state public records law.

Joint Finance: Delete provision as non-fiscal policy.

53. TREATMENT OF THE AUTHORITY AS A STATE AGENCY IN CERTAIN AREAS

Governor: Provide that current law in the following areas that apply to the UW System due to its status as a state agency would also apply to the UW System Authority under the bill: (a) prohibition of political solicitation of UW officers or employees or in UW buildings; (b) cooperation with the Women's Council; (c) rules regarding the retention and maintenance of records; (d) oversight by the DOA's records management service and access to storage facilities operated by that service; (e) DOA title to historically significant furnishings; (f) public use of facilities; (g) prohibition of the use of funds for the performance of abortion or to fund certain pregnancy programs; (h) state trail planning, coordination, and construction by the Department of Natural Resources; (i) applicability of the state storm water management plans and related local zoning ordinances; (j) release of ozone-depleting refrigerant; (k) prevailing wage rates and hours of labor; and (L) prohibition of well contamination or abandonment claims.

Joint Finance: Delete provision.

54. EXEMPT UW SYSTEM AUTHORITY FROM CERTAIN LAWS, RULES, AND PROCEDURES

Governor: Provide that the following laws, rules, and procedures that apply to the UW System as a state agency would not apply to the UW System Authority: (a) current law regarding the payment of interest by state agencies when an agency does not pay the amount due on an order or contract within a certain period of time; (b) current law requiring agencies to notify the sender of an improperly completed invoice of the reason it was improperly completed within 10 working days; (c) rules promulgated by the DOA regarding the surveillance of employees by state agencies; and (d) procedures prescribed by the DOA Secretary for the operation and maintenance of petty cash accounts and the character of expenditures therein. Delete the current law provision specifying that certification by the proper officers of the UW System Board of Regents be in all cases evidence of the correctness of an account for the purpose of audits by the

DOA Secretary of claims against the state. Under the bill, the UW System Authority would not be considered part of the state and therefore would not be subject to audits by the DOA Secretary.

In addition, specify that the UW System Authority would not be required to participate in DOA's resource recovery and recycling program and that DOA would not be required, as under current law, to encourage the UW System Authority to do the following: (a) store gasohol and alternative fuel in facilities maintained by the Authority for the storage of fuel and the refueling of vehicles; and (b) reduce the usage of petroleum-based gasoline and diesel in vehicles by certain percentages set by law. Under current law, state agencies and certain authorities are required to participate in DOA's resource and recycling program and DOA encourages state agencies to do (a) and (b) above.

Joint Finance: Delete provision.

55. EXEMPTION OF CERTAIN UW DOCUMENTS FROM STATE DOCUMENT DISTRIBUTION REQUIREMENTS

Governor: Delete the exemption for state documents published exclusively for public sale by presses established by the UW System or the state historical society and state documents sold primarily on a subscription basis from the state document depository library distribution requirements. Under current law agencies must deliver three copies of each state document that is exempt from the state document depository library distribution to the Department of Public Instruction's Division for Libraries and Technology. These copies include one copy each for the State Historical Society and the Legislative Reference Bureau. The definition of state document includes publications that are supported wholly or partly by funds appropriated by the state but does not include any publication of a state agency intended to be used solely for internal purposes or only between state agencies. Because the proposed UW System Authority would only be appropriated GPR funding from the state, documents published by UW System presses and other documents published by the UW System and sold primarily on a subscription basis that are funded with revenues other than state GPR would not be state documents and would not be subject to the state document depository library distribution requirements.

Joint Finance: Modify current law to exempt all UW documents from the state document distribution requirements. In addition, restore the exemption for state documents published exclusively for public sale by presses established by the state historical society from the state document depository library distribution requirements.

56. RELATIONSHIP WITH SWIB

Governor: Provide that the State of Wisconsin Investment Board (SWIB) would not have control of the investment of moneys held in UW trust funds as under current law. Delete language authorizing SWIB to give advice and assistance as requested by the UW System Board of Regents related to the investment of UW trust funds; to assign, sell, convey, and deed to the Regents any investments made by SWIB as may be mutually agreeable; and to charge the

Regents for the cost of any services provided.

Joint Finance: Delete provision.

57. BOARD OF REGENTS APPROVAL OF COUNTY EXTENSION PROGRAMS

Governor: Provide that the establishment and maintenance of county extension programs by county boards and the provision of programming by county extension programs would be subject to the approval of the Board of Regents. Under current law, a county board may establish and maintain educational programs in cooperation with the University of Wisconsin without the approval of the Board of Regents. Similarly, the county committee on agriculture and extension education is responsible for formulating and executing the university extension program in cooperation with UW-Extension, but without the requirement for approval by the Board of Regents, under current law.

Joint Finance: Delete provision.

58. PSYCHIATRIC INSTITUTE

Governor: Transfer all property used by the Wisconsin Psychiatric Institute, except real property used by the institution and property of the UW Hospitals and Clinics, from the Board of Regents to the state. Specify that the Board of Regents would hold such property on behalf of the state for the use of the psychiatric research institute.

Under current law, all such property was transferred to the Board of Regents which holds it for use by the psychiatric research institute.

Joint Finance: Delete provision.

59. RENEWABLE ENERGY GOAL WOULD NOT APPLY

Governor: Provide that renewable energy goals would not apply to the UW System Authority. Under current law, these goals apply to DOA, the Department of Corrections, the Department of Health Services, the Department of Public Instruction, the Department of Veterans Affairs, and the UW System. The most recent year for which a renewable energy goal was set was 2011.

Joint Finance: Delete provision.

60. REVIEW OF RESEARCH CONTRACTS FOR CONFLICT OF INTEREST

Governor: Delete current law under Chapter 36 (University of Wisconsin System Authority) of the statutes that requires the Board of Regents to review research contracts submitted by the UW System to determine whether entering into the contract would constitute a violation of the state conflict of interest law. Current law requiring the Board to review such

contracts for conflict of interest in another chapter of the statutes would be maintained except that the language would be modified to specify that a UW System employee or office responsible for evaluating and managing potential conflicts of interest would submit contracts for review by the Regents instead of the UW System as under current law.

Joint Finance: Delete provision.

61. DEFINITIONS OF ACADEMIC STAFF, FACULTY, AND CHANCELLOR

Governor: Modify the current law definitions of academic staff, faculty, and chancellor. Specify that the definition of academic staff would no longer exclude faculty as under current law. Provide that the definition of faculty members would include academic staff members designated by the Board of Regents, instead of by the chancellor and faculty of the institution as under current law. Specify that the definition of chancellor would be the chief executive of an institution, as under current law, or a similar position designated by the Board.

In addition, delete the definitions of classified staff and instructional academic staff.

Joint Finance: Delete provision.

62. APPOINTMENT TO THE PROFESSIONAL STANDARDS COUNCIL FOR TEACHERS

Governor: Provide that the Board of Regents, instead of the UW System President as under current law, would appoint a faculty member of a department or school of education in the UW System to serve on the Professional Standards Council for Teachers under the Department of Public Instruction.

Joint Finance: Delete provision.

63. DELETE THE REQUIREMENT THAT THE REGENTS SUBMIT A LIST OF UNCLASSIFIED APPOINTMENTS TO THE SECRETARY OF STATE

Governor: Delete the requirement that the Board of Regents submit annually to the Secretary of State a list of all positions outside the classified service and above the clerical level which are filled by appointment. Under current law, this list includes the name of the incumbent, the date of his or her appointment, and the term of the appointment, if there is one, and excludes members of the faculty.

Joint Finance: Delete provision.

64. CLARIFY LANGUAGE REGARDING STUDENTS CALLED INTO ACTIVE MILITARY DUTY

Governor: Adopt language included in 2005 Act 470 regarding the treatment of students

who withdraw from school because they are called into state active duty or active service with the U.S. Armed Services. That language was also affected by 2005 Act 324 and the language contained in the two acts is inconsistent. Under 2005 Act 470, the Board of Regents is required to reenroll students who withdraw from school because they are called in state active duty or active service with the U.S. Armed Services beginning in the semester in which the student is discharged, demobilized, or deactivated from active duty or the next succeeding semester, whichever the student prefers, and is required to give the student the same priority in registering for courses that the student would have had if he or she had registered for courses at the beginning of the registration period. Under 2005 Act 324, the Board of Regents is required to reenroll such students in the semester following the student's discharge from active duty or the next succeeding semester, whichever the student prefers. Act 324 does not specify that such students be given the same priority in registering for courses that the student would have had if he or she had registered for courses at the beginning of the registration period.

Joint Finance: Delete provision.

65. APPLICATION FOR ADMISSION OF HEARING OR VISUALLY IMPAIRED STUDENTS BY STATE SUPERINTENDENT

Governor: Provide that the State Superintendent of Public Instruction could apply to the UW System Authority for admission to the UW System Authority of any pupil at the school for the Deaf and Hard of Hearing or the school for the Blind and Visually Impaired. Specify that the application shall be accompanied by the report of a physician appointed by the director of the Wisconsin Educational Service Program for the Deaf and Hard of Hearing or the director of the Wisconsin Center for the Blind and Visually Impaired and should be in the same form as reports of other physicians for admission of patients to such hospital.

Under current law, the State Superintendent of Public Instruction can apply to the UW Hospitals and Clinics Authority for admission to the UW Hospitals and Clinics Authority of any pupil at the school for the Deaf and Hard of Hearing or the school for the Blind and Visually Impaired. Such an application must be accompanied by the report of a physician appointed by the director of the Wisconsin Educational Service Program for the Deaf and Hard of Hearing or the director of the Wisconsin Center for the Blind and Visually Impaired and should be in the same form as reports of other physicians for admission of patients to such hospital.

Joint Finance: Delete provision.

66. ACQUISITION AND SALE OF HOSPITALS

Governor: Provide that no person may engage in the acquisition of a hospital or system of hospitals owned by the UW System Authority unless the person has first received review and approval of an application concerning the acquisition from the Attorney General, the Office of the Commissioner of Insurance, and the Department of Health Services. Provide that, to be approved by the Attorney General, an application regarding the acquisition of a hospital or system of hospitals owned by the UW System Authority would have to include a provision

allowing the UW System Authority to retain the right of first refusal to repurchase the assets if the hospital is subsequently sold to, acquired by, or merged with another entity. Provide that the acquisition by the UW System Authority of a hospital or system of hospitals owned by a nonprofit corporation would be exempt from review and approval by the Attorney General, the Office of the Commissioner of Insurance, and the Department of Health Services.

Joint Finance: Delete provision.

67. TRANSFER OF INFORMATION TO INSURERS

Governor: Provide that UW System Authority facilities would be treated as medical care institutions for the purpose of statutes governing the transfer of personal medical information to insurers.

Joint Finance: Delete provision.

Delete Current Law Related to the UW System

The Governor's bill would have deleted a number of current law provisions that require or permit the Board of Regents to take a specific action or specific actions. These proposed deletions are described in the following section. When the Joint Committee on Finance took action on the portion of the Governor's budget that relates to the UW System, the Committee deleted the Governor's proposal to convert the UW System to a public authority and most of the provisions described. As a result, the Committee restored current law related to the UW System in most areas. Areas in which the Committee approved the deletions proposed by the Governor or otherwise modified current law are identified below.

1. SHARED GOVERNANCE

Governor: Delete language establishing the responsibilities of the UW System President, the chancellors, faculty, academic staff, and students, and the roles of the faculty, academic staff, and students in the governance of each institution.

Joint Finance: Delete the Governor's provision and, instead, modify current law to specify that the faculty of each institution would have the primary responsibility for advising the Chancellor regarding academic and educational activities and faculty personnel matters subject to the responsibilities and powers of the Board, President, and Chancellor. In addition, modify current law to require that the faculty of each institution ensure that faculty in academic disciplines related to science, technology, engineering, and mathematics are adequately represented in the faculty organizational structure.

Modify current law to specify that the academic staff of each institution would have the primary responsibility for advising the Chancellor regarding the formulation and review, and would

be represented in the development of all policies and procedures concerning academic staff members, including academic staff personnel matters, subject to the responsibilities and powers of the Board, President, Chancellor, and faculty.

Modify current law to specify that the students of each institution or UW Colleges campus would have primary responsibility for advising the Chancellor regarding the formulation and review of policies concerning student life, services, and interests, subject to the responsibilities and powers of the Board, President, Chancellor, and faculty. Specify that students would have the responsibility for recommending the disposition of student fees which constitute substantial support for campus student activities subject to the approval of the Chancellor and the final confirmation of the Board. Modify current law to specify that, subject to Board policy and in consultation with their faculties, the Chancellor of each institution would be responsible for administering all funds including approving disposition of all student fees. Delete current law specifying that students in consultation with the Chancellor have the responsibility for the disposition of such fees.

Delete current law specifying that: (a) the faculty of each institution be vested with responsibility for the immediate governance of such institution and actively participate in institutional policy development; (b) the academic staff members of each institution be active participants in the immediate governance of and policy development for the institution; and (c) students be active participants in the immediate governance of and policy development for each institution or UW Colleges campus.

Specify that, with regard to the responsibilities of the faculty, academic staff, and students of each institution, "subject to" means "subordinate to."

2. UW SYSTEM ADMINISTRATION

Governor: Delete the requirement that the UW System President direct a central administration and delete a current law reference to the UW System Administration. A separate item in the bill would delete the GPR appropriation for the UW System Administration.

In addition, delete the authority of the UW System President to appoint, and to fix the term of, each UW System senior vice president, vice president, associate vice president, and assistant vice president and delete a current law provision limiting the number of UW System senior vice presidents and vice presidents to four.

Joint Finance: Maintain current law.

3. RESTRICTIONS ON THE ALLOCATION AND USE OF GPR

Governor: Delete the following requirements related to the allocation, encumbrance, or use of GPR funds: (a) the requirement that the Board allocate moneys appropriated under the UW System's GPR appropriation for general program operations to UW institutions, UW Colleges campuses, and the UW-Extension as block grants; (b) the requirement that the Groundwater Coordinating Council advise the DOA Secretary on the allocation of funds

appropriated to the Board of Regents through its GPR general program operations appropriation for groundwater research; (c) language prohibiting the Board of Regents from encumbering amounts provided through its GPR appropriation for general program operations for groundwater research without the approval of the DOA Secretary; and (d) provisions prohibiting the use of GPR for entertainment by UW officials. In addition, delete the provision prohibiting the Board of Regents from allocating GPR or tuition revenues for automobile allowances for the UW System President and chancellors.

Joint Finance: Approve the Governor's recommendation to delete the current law requirement described in (a) above. Otherwise maintain the current law provisions described above.

4. TUITION REMISSIONS FOR NONRESIDENT AND GRADUATE STUDENTS

Governor: Delete current law that authorizes the Board of Regents to remit nonresident tuition in whole or in part to the following students: (a) a number of needy and worthy nonresident students on the basis of merit; (b) additional students who, in the judgment of the Board, are deserving of a remission due to extraordinary circumstances; and (c) worthy and needy foreign students and students who are U.S. citizens but whose residence is not in the U.S.

Delete current law that authorizes the Board to grant nonresident tuition remissions as scholarships to athletes up to the maximum number allowed by the appropriate athletic conference as recommended by the chancellor of each university.

Delete the requirement that the Board remit the nonresident and resident portions of tuition, either in whole or in part, to resident and nonresident graduate students who are fellows or who are employed within the UW System as faculty, instructional academic staff, or assistants with appointments equal to at least 33% of a full-time equivalent position.

In addition, delete provisions limiting the aggregate amount of nonresident tuition that may be remitted in any fiscal year. The current law limit does not apply to remissions granted under the terms of a contract or gift or when remissions are reimbursed as indirect costs.

Joint Finance: Approve the Governor's recommendation to delete provisions limiting the aggregate amount of nonresident tuition that may be remitted in any fiscal year. Modify the Governor's recommendation to permit the Board to remit nonresident tuition as follows: (a) to nonresident students upon the basis of merit, to be shown by suitable tests, examinations, or scholastic records and continued high standards of scholastic attainment; and (b) to additional students who, in the judgement of the Board, are deserving of relief from the assessment of tuition. In addition, modify current law to permit, rather than require, the Board to remit nonresident tuition and fees, in whole or in part, to resident and nonresident graduate students who are fellows or who are employed within the UW System as faculty, instructional academic staff, or assistants with appointments equal to at least 33% of a full-time position.

Maintain current law authorizing the Board to grant remissions of nonresident tuition and fees (resident tuition) to athletes as scholarships as recommended by the Chancellor of each

university up to the maximum number allowed by the appropriate athletic conference.

5. MINORITY AND DISADVANTAGED STUDENT PROGRAMS

Governor: Delete current law establishing or requiring the Board to establish or fund the following programs for minority and disadvantaged students: (a) the Lawton minority undergraduate grant program; (b) a grant program for minority and disadvantaged graduate students, known as the Advanced Opportunity Program; and (c) programs for recruiting and serving minority and disadvantaged students. In addition, delete the requirement that the Board annually adopt a precollege, recruitment, and retention plan for minority and disadvantaged students and that the Board submit an annual report to the Governor and Legislature including that plan and information regarding financial aid distributed to students.

Joint Finance: Maintain current law.

6. PROVISIONS RELATED TO STUDENT FINANCIAL AID

Governor: Delete current law provisions permitting, requiring, or prohibiting the Board of Regents to do all of the following with regard to the provision of student financial aid by the Board: (a) permitting the Board of Regents to make financial aid grants to students from funds controlled by the UW System and to formulate policies and promulgate rules for those financial aid grants; (b) permitting the Board to make grants equivalent in value to the payment of incidental fees to disabled residents of the state who are recommended and supervised by the Department of Workforce Development; (c) requiring the Board to use at least 10% annually of its budgeted student employment funds that are unrelated to the college work-study program or to research and instruction for distribution on the basis of financial need; (d) prohibiting the Board from making a financial aid grant to a person whose name appears on the statewide support lien docket maintained by the Department of Children and Families unless the student provides the Board with a payment agreement that has been approved by a county child support agency; and (e) prohibiting the Board from providing state financial assistance to a person who is required to register with the selective service but has not done so.

Joint Finance: Maintain current law.

7. ACADEMIC FEE INCREASE AND STUDY ABROAD GRANTS

Governor: Delete two need-based financial aid programs administered by the UW System: the academic fee increase grant program and the study abroad grant program. The academic fee increase grant program provides grants to resident students who meet all of the following criteria: (a) were enrolled during the 2010-11 year and have maintained continuous enrollment; (b) do not receive Wisconsin Grants; (c) have a family income of less than $60,000; and (d) have unmet financial need. The study abroad grant program provides grants of up to $2,000 to resident undergraduates to assist in paying costs associated with studying abroad. To be eligible for a study abroad grant, a student must have been enrolled full-time in the semester

preceding the semester in which he or she studies abroad, must be enrolled in a program leading to an associate or bachelor's degree, and must demonstrate financial need.

Joint Finance: Maintain current law.

8. TUITION AWARD PROGRAM

Governor: Delete the tuition award program at UW-Parkside and UW-Superior. Under current law, the Board of Regents may annually exempt up to 300 nonresident students enrolled at UW-Parkside and up to 225 nonresident students enrolled at UW-Superior from nonresident tuition. To be eligible for an exemption, students must be enrolled in programs identified by the institution as having surplus capacity. Only students enrolled as juniors and seniors are eligible for exemptions from nonresident tuition at UW-Parkside.

Joint Finance: Restore the tuition award program but delete current law specifying that students who receive nonresident tuition exemptions through the program would continue to receive nonresident tuition exemptions until the completion of the student's program. This would allow UW-Parkside and UW-Superior to award nonresident tuition exemptions to continuing students at their discretion.

9. DELETE PROVISIONS RELATED TO AUXILIARY ENTERPRISES FUNDS [LFB Paper 685]

Governor/Joint Finance: Delete current law prohibiting the Board from accumulating auxiliary reserve funds from student fees for any institution in an amount that exceeds 15% of the previous fiscal year's total revenues from student segregated fees and auxiliary operations funded with student fees unless approved by the DOA Secretary and the Joint Committee on Finance. In addition, delete language authorizing the Board to invest surplus auxiliary enterprises moneys in certain securities and bonds.

10. DELETE PROVISIONS REQUIRING OR AUTHORIZING SPECIFIC SCHOOLS AND PROGRAMS

Governor: Delete current law establishing or requiring the Board of Regents to establish the following schools, institutes, and programs: (a) the School of Veterinary Medicine at UW-Madison; (b) a Great Lakes Indian law program at the UW-Madison Law School; (c) an integrated agriculture program; and (d) the Robert M. La Follette Institute of Public Affairs. Delete current law authorizing the Board to establish the following schools and programs: (a) agricultural technology and family farm programs in the UW-Madison College of Agricultural and Life Sciences; and (b) the Schools of Public Health and Freshwater Sciences at UW-Milwaukee; and (c) a School of Allied Health Professions at UW-Milwaukee. In addition, delete the requirement that the Board plan for the establishment of a bachelor of science nursing program at UW-Stevens Point and the authorization for the Board provide courses in military science and tactics.

Delete the requirement that the Board establish a program at the UW-Madison School of Medicine and Public Health to consider the transfer of residents of this state from foreign medical schools after their second year of study. Delete the requirement that the School of Law permit resident law students to enroll part-time and offer a range of law courses in the evening.

Joint Finance: Approve the Governor's recommendation to delete the requirement that the Board plan for the establishment of a bachelor of science nursing program at UW-Stevens Point. Otherwise maintain the current law provisions described above.

11. PROVISIONS ESTABLISHING CERTAIN CENTERS AND INSTITUTES

Governor: Delete current law establishing, requiring the Board to establish, or requiring the Board to maintain the following institutes and centers: (a) the institute for excellence in urban education at UW-Milwaukee, which engages in research, public service, and educational activities pertaining to issues in urban public education; (b) the solid and hazardous waste education center in the UW-Extension, which promotes pollution prevention through an education and technical assistance program; (c) the area health education center at UW-Madison to support community-based primary care training programs; (d) the center for environmental education within the College of Natural Resources at UW-Stevens Point, which assists in the development, dissemination, implementation, and evaluation of environmental education programs for elementary and secondary school teachers and pupils; and (e) the center for urban land economics research in the UW-Madison School of Business, which conducts research and undertakes educational, public outreach, and grant activities related to real estate and urban land economics. In addition, delete the requirement that the Department of Safety and Professional Services pay $10 of each real estate broker license renewal fee to the UW System to support the center for urban land economics and research.

Joint Finance: Maintain current law.

12. REQUIRED UW-EXTENSION PROGRAMS

Governor: Delete the requirement that the Board offer, establish, or maintain the following UW-Extension programs: (a) a local planning program to educate local policymakers; (b) a program of education and technical assistance related to recycling market development; (c) programs to educate consumers about biotechnology processes and products and risk assessment techniques; and (d) a higher education location program (UW HELP) to provide information on undergraduate admission requirements, degree programs, enrollment, student financial aid, student housing, and admission forms.

Joint Finance: Approve the Governor's recommendation to delete current law requiring the Board to offer a local planning program through the UW-Extension to educate local policymakers. Maintain the current law requirements described in (b) through (d) above.

13. RESEARCH AND PUBLIC SERVICE PROGRAMS

Governor: Delete current law requiring the Board to establish or maintain all of the following related to its research and public service missions: (a) agricultural demonstration stations; (b) a state soils and plant analysis laboratory in connection with the UW-Madison College of Agricultural and Life Sciences and UW-Extension; (c) a pharmaceutical experiment station in the UW-Madison School of Pharmacy; and (d) an herbarium at UW-Madison.

Delete provisions requiring the Board to authorize research, experiments, or studies related to the following: (a) experimental work in agriculture; (b) bovine brucellosis; (c) Dutch Elm disease; (d) the feasibility of reintroducing elk into the northern part of the state; and (e) the Fond du Lac Avenue corridor in Milwaukee.

In addition, delete the requirement that the Board award industrial and economic grants to fund industrial and economic development research projects and outreach activities and delete the requirement that the Board submit a report biennially to the Joint Committee on Finance on the projects funded.

Joint Finance: Approve the Governor's recommendation to delete current law requiring the Board to ensure that an economic development study of the Fond du Lac Avenue corridor is completed. Otherwise maintain the current law provisions described above.

14. PROVISIONS RELATED TO PUBLIC BROADCASTING

Governor: Delete the current law requirement that the Board manage, operate, and maintain broadcasting station WHA and WHA-TV and enter into an affiliation agreement with the Educational Communications Board. In addition, delete language requiring the UW System to lapse moneys from its GPR and PR appropriations in an amount determined by the DOA Secretary to reimburse DOA for legal advice regarding public broadcasting by the UW System.

Joint Finance: Maintain current law.

15. REQUIRED BUSINESS PROGRAMS

Governor: Delete current law requiring the Board to create, develop, or support the following business-related programs: (a) international business development programs and training; (b) management training and technical assistance for employee-owned businesses; and (c) a business plan competition. Delete related language requiring the Board to allocate up to $125,000 annually for the business plan competition if the Board receives matching funds for the same purpose from private contributions.

In addition, delete language requiring the Board to support improvements in master's level business programs and permitting the Board to provide financial support for such improvements if it receives matching funds for the same purpose from private contributions.

Joint Finance: Maintain current law.

16. HEALTH PROGRAMS IN RURAL AND UNDERSERVED URBAN AREAS

Governor: Delete the requirement that the Board allocate $400,000 annually to the Department of Family Medicine and Practice at the UW-Madison School of Medicine and Public Health to support the Wisconsin Academy for Rural Medicine, the Academy for Center-city Medical Education, and the Wisconsin Scholars Academy programs if the Board receives $400,000 in gifts and grants from private sources to support those programs. In addition, delete the requirement that the Board promote public awareness of, access to, and training of health professionals for rural and underserved urban areas.

Joint Finance: Approve the Governor's recommendation to delete the requirement that the Board promote public awareness of, access to, and training of health professionals for rural and underserved urban areas.

Maintain current law requiring the Board to allocate $400,000 annually to support the Wisconsin Academy for Rural Medicine, the Academy for Center-city Medical Education, and the Wisconsin Scholars Academy programs if the Board receives $400,000 in gifts and grants from private sources to support those programs.

17. REQUIREMENTS RELATED TO ECONOMIC DEVELOPMENT PROGRAMS AND ASSISTANCE

Governor: Delete the following requirements related to economic development programs administered by the Board and economic development assistance provided by the Board: (a) that the Board, in consultation with the Wisconsin Economic Development Corporation, establish goals, establish benchmarks, require reports and verify the information provided therein, establish a method for evaluating, and establish rules, policies, and procedures related to economic development programs; (b) coordinate economic development assistance with the Wisconsin Economic Development Corporation; and (c) submit an annual report assessing the economic development programs administered by the Board to the Joint Legislative Audit Committee and the appropriate standing committees.

Joint Finance: Maintain current law.

18. PROGRAMS RELATED TO K-12 EDUCATION

Governor: Delete the following provisions related to K-12 education: (a) that the Board direct the Schools of Education to present to schools the result of research on models for, and approaches to, improving school safety and reducing discipline problems in schools and at school activities; (b) that the Board provide curricula to train students enrolled in the Schools of Education in the use of educational technology in primary and secondary schools; and (c) that the Board provide professional development for primary and secondary teachers in the use of educational technology. In addition, delete language providing that the Board may do the following: (a) furnish services for educational study and research projects to school districts; and (b) establish a model school for children with disabilities at UW-Madison.

Joint Finance: Approve the Governor's recommendation to delete current law requiring the Board to direct the Schools of Education to present to schools the result of research on models for, and approaches to, improving school safety and reducing discipline problems in schools and at school activities. Otherwise maintain the current law provisions described above.

19. DISTINGUISHED PROFESSORSHIPS AND CHAIRS

Governor: Delete a current law provision permitting the Board to establish distinguished professorships. In addition, delete the requirement that the Board establish the following positions: (a) a distinguished chair of military history at UW-Madison; (b) the Gaylord Nelson chair of integrated environmental studies; and (c) the Wilder Crane professorship of government in the UW-Milwaukee Department of Political Science.

Joint Finance: Approve the Governor's recommendation to delete the requirement that the Board establish the Gaylord Nelson chair of integrated environmental studies. Otherwise maintain the current law provisions described above.

20. DELETE REQUIRED REPORTS

Governor: Delete current law requiring the Board to submit the following reports to the Governor, the Legislature, and/or the Joint Committee on Finance: (a) a biennial report on employment harassment and discrimination claims; (b) a biennial report on research and public service projects for which the Board is expending general purpose revenue; (c) an annual report on management and staff positions; (d) an annual report identifying the number of employees with limited appointments, concurrent appointments, and backup positions; (e) an annual report on courses for which academic fees or tuition equals at least 100% of the cost of offering the course; and (f) an annual report on classified research contracts. In addition, delete language specifying that the chancellor of each UW institution consult with the faculty when establishing a process for accepting contracts for, and conducting, classified research.

Delete language requiring the Board to ensure that UW-Madison reports annually to the Department of Administration on utility charges to fund principal and interest costs incurred in purchasing the Walnut Street steam and chilled-water plant and in renovating and adding an addition to the Charter Street heating and cooling plant.

Joint Finance: Approve the Governor's recommendation to delete the reports described in (c) and (e) above. Otherwise maintain the current law provisions described above.

21. DELETE APPLICATION FEE AMOUNTS

Governor: Delete current law setting the application fee for undergraduate applicants at $44 and the application fee for graduate, law, and medical school applicants at $56. Delete provisions permitting the Board to exempt up to 5% of undergraduate applicants from the application fee. Delete language requiring that at least $9 of the application fee paid by each undergraduate applicant and $11 of the application fee paid by graduate, law, and medical school

applicants be used for admission application expenses. In addition, delete the requirement that $3 of the application fee paid by each applicant be used to support the higher education location program.

Joint Finance: Modify the Governor's recommendation to require each UW institution to charge uniform application fees to each of the following groups of applicants: (a) all undergraduate applicants; (b) all graduate applicants; (c) all law school applicants; and (d) all medical school applicants.

22. SOIL AND WATER CONSERVATION

Governor: Delete the current law requiring the Board of Regents to be responsible for research and educational programs regarding soil and water conservation. In addition, delete the requirement that the Board of Regents cooperate with the Land and Water Conservation Board, the Department of Agriculture, Trade, and Consumer Protection (DATCP), and the counties in carrying out soil and water conservation programs, and delete the requirement that the Board prepare annually a written program of planned educational activities in soil and water conservation.

Under the bill, DATCP would continue to advise the UW System Authority on developing research and educational programs relating to soil and water conservation. DATCP would also continue to advise the UW System Authority on educational needs and assist the UW System Authority in implementing educational programs through UW-Extension county programs.

Joint Finance: Maintain current law.

23. RESPONSIBILITIES OF THE WATER RESOURCES CENTER DIRECTOR

Governor: Delete current law requiring the Director of the UW-Madison Water Resources Center to administer and coordinate funding available to state agencies for joint water resources research and data collection programs. Delete the requirement that the Director report biennially to the Legislature.

Joint Finance: Maintain current law.

24. PROVISIONS RELATED TO STUDENT TUITION BILLS AND TUITION AND SEGREGATED FEES INFORMATION

Governor: Delete the requirement that the Board ensure that every student's tuition bill include a statement of the amount of state funds authorized by the Governor and the Legislature for the UW System in that year and the average state subsidy per student. Delete the requirement that the Board ensure that the amount of segregated fees charged by each institution and each UW Colleges campus, the amount of tuition charged by each institution and each UW Colleges campus, and detailed information on the organizations and activities for which allocable segregated fees are expended are posted on each institution's or campus's website. Delete the

requirement that the Board ensure that each student's bill shows separately the amount of tuition and the amount of segregated fees charged.

Joint Finance: Maintain current law.

25. SEXUAL ASSAULT INFORMATION AND REPORTING

Governor: Delete the requirement that the Board direct each institution and college campus to incorporate oral and written or electronic information on sexual assault in its orientation program for newly entering students and to supply all students enrolled in the institution or college campus with the same information in either printed or electronic form. Delete the requirement that the Board of Regents submit an annual report to the Legislature regarding the methods used to comply with the above requirement.

Delete the requirement that any person employed at an institution who witnesses a sexual assault on campus or receives a report from a student enrolled in the institution that the student has been sexually assaulted report the assault to the dean of students.

Delete the requirement that each institution report annually to the Department of Justice (DOJ) statistics on sexual assaults and on sexual assaults committed by acquaintances of the victims that occurred on the campus of that institution in the previous years, and that DOJ include those statistics in appropriate crime reports.

Joint Finance: Maintain current law.

26. DISCIPLINE OF STUDENTS FOR CONTROLLED SUBSTANCE VIOLATIONS

Governor: Delete current law specifying that any student who engages in an activity that constitutes a violation of the state law regarding controlled substances either on campus or at an event sponsored by the UW System, a UW institution, or a UW Colleges campus is subject to nonacademic misconduct disciplinary sanctions as provided by the Board by rule.

Joint Finance: Maintain current law.

27. DELETE REQUIREMENT FOR AGREEMENT RELATING TO RESEARCH ON EDUCATION PROGRAMS

Governor/Joint Finance: Delete current law requiring the Board of Regents to enter into an agreement with the Department of Public Instruction (DPI), the Wisconsin Technical College System (WTCS) Board, and the Wisconsin Association of Independent Colleges and Universities (WAICU) to cooperatively conduct research on preschool through postsecondary education programs.

The bill would maintain current law requirements that the Board of Regents enter into a written agreement with DPI, the Department of Workforce Development, the WTCS Board, and

WAICU to: (a) establish and maintain a longitudinal student data system; (b) describe the process by which one or more of the agencies may evaluate and study the education programs operated or supervised by one or more of the other agencies; (c) prohibit the agencies from evaluating or studying another agency's programs without the approval of that agency; (d) require the agencies to exchange student and work force data necessary to perform evaluations or studies; and (e) address additional issues related to data sharing.

28. BASIC LUMBER GRADING TRAINING PROGRAM

Governor: Delete the requirement that the forest products outreach program at UW-Stevens Point establish a basic lumber grading training program in cooperation with the Department of Natural Resources (DNR). Delete the requirement that DNR, in cooperation with the Board of Regents, establish a procedure to determine successful completion of the training programs and issue certificates of accomplishment to individuals who have successfully completed the training program. Modify a current law provision to allow a person to certify that lumber meets or exceeds the requirements of the one- or two-family dwelling code or the multifamily dwelling standards only if that person has been certified under a lumber grading training program specified by the Department of Safety and Professional Services, instead of the lumber grading training program established by the forest products outreach program at UW-Stevens Point as under current law.

Joint Finance: Maintain current law.

29. UW-EXTENSION AGRICULTURAL SAFETY AND HEALTH CENTER AND GRANTS

Governor: Delete current law establishing the Agricultural Safety and Health Center in the UW-Extension. Under current law, the Center must: (a) develop a tractor and machine operation safety training course for children who are at least 12 years old; (b) perform instructor training and coordination; (c) certify children who have successfully completed the training; and (d) develop and disseminate educational and informational materials and present programs on farm safety and health topics. Modify current law to prohibit a child under the age of 16 years from operating a tractor on a highway unless that child has been certified by the Department of Transportation, instead of the Agricultural Safety and Health Center as under current law, as having successfully completed the safety training course. In addition, delete language requiring the Board of Regents to award grants of not more than $500 per county to sponsors of farm safety education, training, or information programs.

Joint Finance: Maintain current law.

30. SALE, LEASE, OR PURCHASE OF AGRICULTURAL LAND BY THE BOARD OF REGENTS

Governor: Delete current law directing the Board of Regents to sell or lease specific

parcels of agricultural land and to purchase other agricultural lands outside of the Madison area. Delete related language authorizing the Building Commission to release moneys from the building trust fund related to the sale or purchase of agricultural lands by the Board of Regents.

Joint Finance: Maintain current law.

31. DHS TOBACCO RESEARCH GRANTS

Governor: Delete current law permitting the Department of Health Services to award grants to the Board of Regents for advancing the work of the Tobacco Research and Intervention Center at UW-Madison in developing new educational programs to discourage tobacco use, determining the most effective strategies for preventing tobacco use, and expanding smoking cessation programs throughout the state.

Joint Finance: Maintain current law.

32. DELETE ADDITIONAL CURRENT LAW PROVISIONS [LFB Paper 675]

Governor: Delete current law requiring, permitting, authorizing, or prohibiting the Board of Regents to do all of the following:

(a) requiring the Board of Regents to submit annually to DOA a plan to integrate land information to enable such information to be readily translatable, retrievable, and geographically referenced for use by any state, local governmental unit, or public utility.

(b) requiring that reimbursements received by the UW System from the Higher Educational Aids Board for remissions granted to veterans and the children and spouses of deceased or disabled veterans be used for degree credit instruction.

(c) requiring the UW-Madison Center on Education and Work to establish a program for students enrolled in grades 7 to 12 to engage in webcam conversations about careers.

(d) requiring that the Board delegate to each chancellor the necessary authority for the administration and operation of each institution and the provision that the Board may delegate other groups as it deems appropriate.

(e) prohibiting the Board from creating a new college or school except as specifically authorized by the Legislature.

(f) requiring the Board to develop policies to identify GPR and non-GPR funding sources used to support non-instructional student activities and policies regarding the allocation of funds to those activities.

(g) requiring the Board to provide information related to meningococcal disease and hepatitis B and related vaccines to all students. Delete language requiring students living in residences halls to report whether they have received vaccinations for meningococcal disease and

hepatitis B.

(h) authorizing the Board to participate in a nonprofit-sharing corporation with colleges, universities, and libraries for the purpose of providing and operating a central library depository.

(i) permitting the Board to maintain membership in the Midwest technology development institute.

(j) requiring the Board to designate two positions funded through the GPR appropriation for UW System Administration to coordinate compliance with state and federal laws related to the environment.

(k) requiring the Board to ensure that each campus identifies and collects significant state documents relating to the administration and academic programs of that campus.

(l) requiring the Board of Regents to allocate $11,250,000 in 2013-14 and in 2014-15 from its program revenue appropriation for general program operations to the incentive grants program and to award grants for programs meeting certain criteria to UW institutions and the UW-Extension.

(m) permitting a body designated by the Board to determine nonresident tuition exemption to require a student who has been granted such an exemption to submit information from which the body may determine the student's eligibility for the exemption, the student's eligibility for a different exemption, or the student's residency status.

(n) requiring that the DOA Secretary approve fees for services charged by the Higher Educational Aids Board to the Board of Regents through the national direct student loan servicing contract.

(o) prohibiting UW institutions and private educational institutions located in this state that award bachelor's or higher degrees from using a student's social security number as his or her identification number.

(p) delete the following provisions related to the Downer Woods located on the UW-Milwaukee campus: (1) provisions requiring the UW-Milwaukee Chancellor to prepare and implement a Downer Woods natural area management and restoration plan to ensure that the area of the Downer Woods designated as the conservation area is managed properly as a natural area; (2) provisions requiring that the portion of the Downer Woods designated as permanently reserved woodlands be set aside exclusively for the purposes of community enhancement and relaxation; (3) provisions permitting the portions of the Downer Woods designated as park and woodland areas to be used by UW-Milwaukee as recreational and aesthetic corridors; and (4) provisions specifying that the buildings of the former Downer college be preserved and may not be razed without prior approval of the Building Commission.

(q) prohibiting UW institutions from offering complimentary or reduced price tickets to athletics event for which an admission fee is normally charged except as follows: (1) reduced priced tickets may be provided to minors, students, and persons age 62 or older; (2) complimentary or reduced price tickets may be permitted if they are permitted by the rules of the

intercollegiate athletic conference to which the institution belongs and the chancellor has approved the furnishing of such tickets; and (3) complimentary or reduced price tickets may be provided to individuals who perform duties directly related to the conduct of the athletic event for which the tickets are issued.

(r) requiring the Board to ensure that the UW-Madison University Ridge Golf Course charge no more than two levels of fees and that, if there are two levels of fees, the lower fee level be for students and the other fee level by for all others eligible to use the facility.

(s) requiring the UW-Madison license plate scholarship program to provide funds to the division of athletics until the Board determines that the division's deficit has been eliminated.

(t) requiring the Board to adopt criteria for researchers to follow regarding humane treatment of animals for scientific research purposes.

(u) requiring the Board include in fiscal estimates prepared for bills that involve the appropriation of GPR for specific research or public service projects the anticipated completion date of the project.

(v) permitting the Board to award up to $500 to up to 10 UW System employees who make suggestions that result in significant quality improvement in the UW System related to supplies and services.

(w) requiring the UW System to create a student information system, to develop UW System technology infrastructure, and to provide faculty with educational technology and train them in its use.

(x) requiring the Board to appoint alcohol and other drug abuse prevention and intervention program counselors for UW-Madison and UW-Milwaukee. Delete the requirement that these counselors develop alcohol and other drug abuse prevention and intervention programs and train faculty, academic staff, and classified staff in the prevention of and early intervention in alcohol and other drug abuse.

(y) permitting the Board to establish a tuition gift certificate program.

(z) requiring the Board to direct the administrative officers of each campus to work with the regional planning commissions and the local authorities of the community in which the campus is located to evaluate the transportation needs of the campus population. Delete the requirement that each campus develop a transportation plan for the campus to effect energy resource conservation and efficient use of transportation resources. Delete the specification that such plans include pedestrian walkways, bikeways, bike routes, bicycle storage racks, car and van pools, and, to the extent feasible, improved mass transit services. Delete the requirement that transportation plans detail parking management strategies which provide incentives for the use of mass transit and high occupancy vehicles.

(aa) permitting the Board of Regents, a UW institution, a UW Colleges campus, and the UW-Extension to be a member, shareholder, or partner in or with any third-party entity or other person that offers, resells, or provides telecommunications services to a facility that it was not

serving on June 15, 2011, if the facility was approved by the Joint Committee on Finance.

In addition, specify that Board of Regents would be capitalized wherever it appears in the statutes.

Joint Finance: Approve the Governor's recommendation to delete the current law provisions described in (h), (i), (j), (k), (n), (o), (q), (r), (s), (u), (y), and (z) and to capitalize Board of Regents in the statutes. Delete the Governor's recommendation with regard to all other provisions described above which would maintain current law in those areas.

33. DELETE OBSOLETE STATUTORY LANGUAGE AND REFERENCES

Governor: Delete statutory language regarding the use of funds accumulated prior to the merger of the University of Wisconsin and the Wisconsin State Universities. In addition, delete obsolete references for the UW System's participation in sesquicentennial events; payments to Taylor County for retirement of debt related to UW-Medford facilities; a reference to 1998 as the starting year for the required annual submission of student aid formulas; a reference to July 1, 2013, as the start date for the establishment of travel policies by the Board of Regents; a pilot program which ended on May 15, 2011, for the Center on Education and Work at the UW-Madison; and commitment of certain federal funds for broadband projects prior to June 15, 2011.

Joint Finance: Approve the Governor's recommendation to delete current law regarding the use of funds accumulated prior to the merger of the University of Wisconsin and the Wisconsin State Universities and a report that was required in 1991, 1992, 1993, and 1994. Otherwise maintain current law for other references.

VETERANS AFFAIRS

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$4,140,600	$3,699,900	$3,699,900	$0	0.0%	-$440,700	- 10.6%
FED	5,896,800	6,237,200	5,855,800	- 381,400	- 6.1	- 41,000	- 0.7
PR	215,750,600	221,793,400	220,055,000	- 1,738,400	- 0.8	4,304,400	2.0
SEG	49,738,800	54,433,800	53,879,600	- 554,200	- 1.0	4,140,800	8.3
TOTAL	$275,526,800	$286,164,300	$283,490,300	- $2,674,000	- 0.9%	$7,963,500	2.9%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
FED	18.00	16.00	16.00	0.00	- 2.00
PR	1,157.70	1,156.20	1,156.20	0.00	- 1.50
SEG	117.00	114.00	114.00	0.00	- 3.00
TOTAL	1,292.70	1,286.20	1,286.20	0.00	- 6.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 700]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$3,322,400	- $1,000,400	$2,322,000
SEG	1,605,200	- 169,000	1,436,200
FED	227,200	0	227,200
Total	$5,154,800	- $1,169,400	$3,985,400

Governor: Provide $1,661,200 PR, $802,600 SEG, and $113,600 FED annually to reflect the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (-$1,622,500 PR, $802,600 SEG, and $113,600 FED annually); (b) overtime ($1,092,500 PR annually); and (c) night and weekend differential pay ($2,191,200 PR annually).

Joint Finance: Reduce funding by $500,200 PR and $84,500 SEG annually to reflect turnover reduction for DVA appropriations with more than 50 positions. The PR adjustment is a 1% reduction on the base salary funding for the state veterans homes institutional operations appropriation, while the SEG adjustment is a 3% reduction on the base salary funding for the Department's administration of loans and grants appropriation.

2. VETERANS TRUST FUND CONDITION STATEMENT [LFB Paper 701]

The following table shows the fund condition statement for the veterans trust fund, reflecting appropriations under the substitute amendment, as well as estimates of fund revenues and appropriation lapses during the 2015-17 biennium. In addition, the table also reflects an assumption that the Department would be required to transfer amounts ($7,600,000 in 2015-16 and $13,500,000 in 2016-17) from unencumbered balances from the PR appropriation for state veterans homes institutional operations in order to maintain a positive balance in the fund (the Department is authorized to make such transfers under current law). The Department may be required to transfer more or less than this amount, depending upon actual revenues and appropriation lapses.

	2015-16	2016-17
Opening Balance, July 1	$4,914,600	$30,000
Revenues	2,990,000	2,766,100
Total Available	$7,904,600	$2,796,100
Appropriations	$17,997,700	$19,514,700
Estimated Lapses	-2,523,100	-3,273,100
Net Expenditures	$15,474,600	$16,241,600
Balance Before Transfer	-$7,570,000	-$13,445,500
Estimated Transfer Supplement	7,600,000	13,500,000
Ending Balance, June 30	$30,000	$54,500

3. VETERANS HOME OPERATIONS

PR	$3,000,000

Governor/Joint Finance: Provide $2,000,000 in 2015-16 and $1,000,000 in 2016-17 for DVA to purchase additional equipment and contractual services at the state veterans homes. Of these amounts, DVA indicates that $804,000 annually would be allocated for therapy services and equipment for members whose care is funded from Medicare. Other identified needs include pill dispensing equipment, maintenance of Wander Guard equipment (used to monitor movement of residents with dementia), sit-to-stand chairs, and bariatric equipment.

4. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- $440,700
SEG	2,071,700
PR	84,200
Total	$1,715,200

Governor/Joint Finance: Provide $662,300 (-$68,200 GPR, -$54,000 PR, and $784,500 SEG) in 2015-16 and of $1,052,900 (-$372,500 GPR, $138,200 PR, and $1,287,200 SEG) in 2016-17 to reflect reestimates of debt

service payments for DVA facilities. Debt service paid with GPR and PR appropriations is primarily related to bonds issued for capital projects at the state veterans homes, while debt service paid with SEG funds is primarily related to bonds issued for veteran mortgage loans. Debt service on mortgage loan bonds is paid from the veterans mortgage loan repayment fund.

5. VETERANS EMPLOYMENT GRANT PROGRAM [LFB Paper 701]

SEG	$1,000,000

Governor/Joint Finance: Provide $500,000 annually to reflect the transfer of the veterans employment grant program from the Department of Workforce Development (DWD) to the Department of Veterans Affairs. The program is currently funded from a veterans trust fund appropriation in DWD. For a complete summary of this transfer, see "Workforce Development."

6. VETERANS HOUSING AND RECOVERY PROGRAM

SEG	$768,100

Governor/Joint Finance: Provide $250,100 in 2015-16 and $518,000 in 2016-17 for increased costs for utilities and rent under the veterans housing and recovery program, which is also known as the veterans assistance program. The program provides transitional housing and support services to homeless veterans and veterans who are at risk of becoming homeless. DVA provides these services on the campuses of the three state veterans homes. A portion of the funding would be provided for the rental of new space at the King Home location, since the current facility is scheduled to be demolished in 2015 to make room for a new nursing home facility. Remaining funding would be used to fund increases in utility costs at the other two locations.

The bill would provide a total of $1,272,200 ($628,100 SEG, $528,600 FED, and $115,500 PR) in 2015-16 and $1,540,100 ($896,000 SEG, $528,600 FED, and $115,500 PR) in 2016-17 to support the program.

7. VETERANS EDUCATION GRANT FUNDING [LFB Paper 701]

SEG	- $750,000

Governor/Joint Finance: Reduce funding by $750,000 in 2015-16 for the veterans tuition reimbursement program, to reflect a reduction in the demand for reimbursement under the program. The program reimburses up to 100% of the cost of undergraduate tuition and fees or high school tuition or program costs, minus any other grants or scholarships received by veterans, with a maximum reimbursement based on the cost of a UW-Madison resident undergraduate tuition. The program provides reimbursement for students who are not otherwise eligible for UW System and Wisconsin Technical College System tuition remission programs. With this reduction, total funding for the program would be $653,100 in 2015-16 and $1,403,100 (base level funding) in 2016-17. The program is funded with a biennial appropriation, meaning that funds appropriated in the second year of the biennium could be used for costs incurred in the first year. Since funding would not be reduced in 2016-17, the program would not be subject to an ongoing funding reduction. In 2013-14, the program provided reimbursement grants totaling

$456,000 to 114 veterans.

8. POSITION AND FUNDING REALLOCATION

PR	- $250,600

Governor/Joint Finance: Reduce funding by $125,300 annually to reflect the net effect of reallocating funding and positions related to administration of the state veterans homes. This item includes: (a) reducing funding and positions budgeted to support the skilled nursing facility at Union Grove (-$460,800 and -4.75 positions) and the assisted living facilities at Union Grove (-$74,800 and -0.85 positions) and increasing funding and positions to support the Veterans Home at King ($410,300 and 5.60 positions). The Department of Administration indicates that these funding and position shifts are intended to more closely align resources with central office workload.

9. ELIMINATE LONG-TERM VACANCIES [LFB Paper 702]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$0	- 3.00	- $385,200	0.00	- $385,200	- 3.00
FED	0	- 2.00	- 238,800	0.00	- 238,800	- 2.00
PR	0	- 0.50	- 78,000	0.00	- 78,000	- 0.50
Total	$0	- 5.50	- $702,000	0.00	- $702,000	- 5.50

Governor: Delete 5.5 positions (-3.0 SEG positions, -2.0 FED positions, and -0.5 PR position) as part of the Governor's budget initiative to eliminate positions that have been vacant for more than 12 months. Of these positions, 3.0 positions (1.0 SEG position and 2.0 FED positions) are budgeted for the veterans assistance program, 2.0 SEG positions are budgeted to administer DVA's grant and loan programs, and 0.5 PR position is budgeted for the state veterans homes.

Joint Finance: Reduce funding by $192,600 SEG, $39,000 PR, and $119,400 FED annually to reflect the deletion of salary and fringe benefit funding associated with the eliminated positions.

10. VETERANS CEMETERY OPERATIONS

	Funding	Positions
PR	- $113,200	- 1.00
FED	113,200	1.00
Total	$0	0.00

Governor/Joint Finance: Reduce funding by $56,600 PR annually and delete 1.0 PR position, beginning in 2015-16, and increase FED funding and positions by corresponding amounts to reflect the net effect of transferring costs of operating the Central Wisconsin Veterans Memorial Cemetery at the State Veterans Home at King to the Department's memorial cemetery appropriations. The administration indicates that the intent of this provision is to consolidate cemetery operations within the DVA cemetery appropriations.

The veterans homes are funded from moneys related to the care of residents, including recoveries from decedents' estates for the cost of burials. The veterans memorial cemeteries appropriations receive moneys from burial fees (although the Department does not generally charge fees for burial of veterans) and federal veterans interment allowances to fund cemetery operations and burials. The administration anticipates that DVA will receive additional federally-funded cemetery aid payments in the 2015-17 biennium to support the additional FED position.

The following table shows the funding and positions changes under this item, by appropriation.

	Fund Source	Annual Change Funding	Positions
State Veterans Homes Appropriations			
Institutional operations	PR	-$56,600	-1.0
Veterans home cemetery operations	PR	-43,800	0.0
Federal projects	FED	-108,300	-2.0
All Funds Subtotal		-$208,700	-3.0
Veterans Memorial Cemeteries Appropriations			
Cemetery operations	PR	$43,800	0.0
Federal aid; cemetery operations and burials	FED	164,900	3.0
All Funds Subtotal		$208,700	3.0
PR Total		-$56,600	-1.0
FED Total		56,600	1.0
All Funds Total		$0	0.0

11. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$0	- 1.00	- $142,600	0.00	- $142,600	- 1.00

Governor: Delete 1.0 veterans program specialist position, beginning in 2015-16. The deletion of this position, which has been vacant since May of 2012, is included in an item that would create an Office of Marketing in the Department of Tourism, with the intention of consolidating various functions related to marketing of the state or state agency services. Funding associated with this position ($71,300 annually) would be transferred from permanent position salaries and fringe benefits to supplies and services, to allow DVA to purchase marketing services through Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting $71,300 annually, the funding associated with the 1.0 position, rather than reallocating funding to supplies and

services.

12. TRANSFER VETERANS EMPLOYMENT PROGRAM FROM DWD [LFB Paper 732]

Governor: Modify a provision of 2013 Act 20 that would have transferred two federally-funded veterans employment programs (disabled veterans' outreach program and local veterans' employment representative program) from DWD to DVA, contingent on the approval of the U.S. Department of Labor, to make this transfer, instead, contingent on the approval of the Governor and to require the Governor to declare DVA to be the coordinator of employment service delivery system, as specified under federal law. For a complete summary of this modification, see "Workforce Development."

The U.S. Department of Labor did not approve the transfer of these programs as proposed by Act 20. Although Act 20 transferred federal funding and associated positions from DWD to DVA ($3,106,000 FED and 37.0 FED positions annually), the funding and positions were removed from the base budget for DVA in the preparation of the 2015-17 biennial budget to reflect the denial of the transfer. This item would not restore the positions and funding in DVA. The Department of Administration indicates that the intention is to maintain the positions and funding associated with these programs in DWD at this time.

Joint Finance: Delete provision.

13. TRANSFER MORTGAGE LOAN ADMINISTRATION FUNCTIONS TO DVA'S GENERAL LOAN AND GRANT ADMINISTRATION APPROPRIATION [LFB Paper 701]

Governor/Joint Finance: Reduce funding by $3,180,500 SEG and eliminate 33.05 SEG positions annually in the general program operations appropriation for the veterans mortgage loan program, and provide corresponding SEG funding and position increases in the Department's appropriation for administration of loans and aids to veterans to reflect a transfer of the responsibility for some of the administrative costs of the veterans mortgage loan programs. The administrative costs associated with the mortgage loan programs are currently supported by the veterans mortgage loan repayment fund, while the administration of loans and aids to veterans appropriation is supported from the veterans trust fund. Consequently, the net fiscal effect of this item is an increase in appropriations and positions in the veterans trust fund and a decrease in appropriations and positions in the veterans mortgage loan repayment fund. No fiscal effect is shown above since these are both segregated funds, and the changes are offsetting.

The veterans mortgage loan repayment fund receives loan repayments on loans made under the primary mortgage loan program and the home improvement loan program. The fund is used for debt service on bonds issued to make loans, as well as administrative costs associated with the loan programs. The administration indicates that the purpose of the transfer of mortgage loan administration responsibilities is to preserve the solvency of the veterans mortgage loan repayment fund. The Department placed a moratorium on the issuance of new loans on

December 1, 2011, citing its inability to compete with low conventional market interest rates and a decreased demand for loans. The administrative costs that are the subject of this item are related to loans issued prior to that date. In 2013-14, fund expenditures exceeded fund revenue by $5.0 million.

14. GRANT TO VETRANSFER, INC. [LFB Paper 703]

Governor: Delete a provision created in 2013 Wisconsin Act 20 (the 2013-15 biennial budget act) that requires the Department to make a one-time $500,000 grant in 2013-14 to VETransfer, Inc., and delete related provisions that require VETransfer to provide information to DVA on the use of grant funds. VETransfer Inc. is an organization, based in Milwaukee, that provides training and other assistance to veterans engaged in entrepreneurship. The grant was made from an appropriation from the veterans trust fund.

A separate provision in the bill, summarized under "Forward Wisconsin Development Authority," would require the Authority to make a one-time grant of $500,000 in 2016-17 from the Authority's general operations appropriation to Global Entrepreneurship Collective, Inc., which is the new name of VETransfer, Inc. The conditions and reporting requirements associated with the grant would be the same as those applying to the 2013-14 grant made to VETransfer, Inc.

Joint Finance: Delete provision.

15. REIMBURSEMENT OF TRAVEL EXPENSES FOR VETERANS

Governor/Joint Finance: Authorize DVA to reimburse any veteran who incurred travel expenses relating to an appearance that occurred at the request of the state, provided the veteran submits documentation of travel expenses. Specify that Department may reimburse all documented travel expenses incurred, and that general state provisions that limit the reimbursement for travel expenses to the amounts in the maximum travel schedule established by the Office of State Employment Relations do not apply to this reimbursement. Limit the total amount of travel reimbursement received by a veteran to $2,000 per year.

As the bill would not provide additional funding for DVA to support increases in eligible reimbursement costs, the agency would support any additional costs resulting from this provision with base funding.

16. VETERANS HOME MEMBERSHIP ELIGIBILITY

Governor/Joint Finance: Modify the state veterans home membership criteria to specify that a parent is eligible for membership only if he or she is a parent of a person who died while serving in the U.S. armed forces. Under current law, a parent of any veteran, or a parent of any person who served on active duty under honorable conditions in the U.S. armed forces for specified minimum periods are eligible to receive care at the state veterans homes. According to DVA, this change is to make the state veterans home membership criteria consistent with federal

law. There are currently no veterans home members who qualify solely on the basis of being a parent of a veteran.

17. ASSISTANCE FOR NEEDY VETERANS PROGRAM ELIGIBILITY [LFB Paper 704]

Governor: Eliminate the state residency requirement from the eligibility criteria for the assistance for needy veterans program. The assistance for needy veterans program provides subsistence payments and health care assistance to veterans who meet certain criteria related to income and assets and to unremarried spouses and dependent children of veterans who died while on active duty. Under current law, veterans must be Wisconsin residents at the time of application. For eligible spouses of veterans who died while on active duty, the deceased veteran must have entered service from Wisconsin or met certain other residency requirements.

Joint Finance: Delete provision.

18. MILITARY FUNERAL HONORS ELIGIBILITY [LFB Paper 705]

Governor: Modify provisions related to the eligibility for military funeral honors to specify that the following persons would be eligible: (a) military personnel on active duty; (b) former military members who served on active duty and were discharged under conditions other than dishonorable; (c) members of the selective service; (d) former members of the selected reserve and national guard who served at least one term of enlistment or period of initial obligated service and were discharged under conditions other than dishonorable; and (e) former members of the selected reserve or national guard who were discharged due to a service-connected disability. This listing would replace the current eligibility criteria, which is limited to deceased veterans and deceased persons who have served under honorable conditions in any national guard or in a reserve component of the U.S. armed forces.

Joint Finance: Modify "e" above to add "or for a disability subsequently adjudicated to have been service connected."

19. COUNTY AND TRIBAL VETERANS SERVICE OFFICE GRANTS

Joint Finance: Modify the system used for making county veterans service office grants and tribal veterans service office grants from a sum-certain amount, as specified in statute, to an expense reimbursement basis. Limit the annual reimbursement to each office at the amounts specified for the sum-certain grant under current law. Specify that the costs eligible for reimbursement include only the following: (a) information technology; (b) transportation for veterans and services to veterans with barriers; (c) special outreach to veterans; (d) training and services provided by the Department and the U.S. Department of Veterans Affairs; and (e) with limitations (described below), salary and fringe benefit expenses. Limit the amount of salary and fringe benefit costs that an office may claim for reimbursement to 50% of the amount of its total reimbursement limit in 2016 and 25% of its total reimbursement limit in 2017, and specify that

no reimbursement for salary and fringe benefit costs can be claimed in 2018 and thereafter. Require the Department to provide reimbursement payments for documented expenses twice annually. Require the Department to promulgate administrative rules to establish reimbursement criteria and procedures.

Under current law, DVA provides grants to counties to establish county veterans service offices and to tribes to establish tribal veterans service offices. County grants range from $13,000 to $8,500, depending upon the county's population, for counties with a full time veterans service officer and $500 for counties with a part time officer and tribal grants are up to $15,000 for tribal veterans service offices.

Change the date for requiring a civil service process to be used for choosing a veterans service officer from after August 9, 1989, to after April 15, 2015. Specify that the county executive, administrator, or administrative coordinator must certify to DVA that the county employs a county veterans service officer that meets civil service process requirements.

20. TRIBAL COLLEGE TUITION REIMBURSEMENT PROGRAM [LFB Paper 706]

PR	- $810,000

Joint Finance: Delete the tribal college tuition reimbursement program and base funding of $405,000 annually for the program. The program was created by the 2013-15 biennial budget, although no grants have been made under the program. The Department indicates that there have been no eligible applicants.

21. PAYMENTS FOR MUNICIPAL SERVICES PROVIDED TO VETERANS HOMES

PR	$150,000

Joint Finance: Authorize the Department to make grants during the 2015-17 biennium to cities, villages, or towns that provide services to state veterans homes. Provide $150,000 in 2015-16 in a biennial appropriation for making such payments and authorize the Department to transfer unencumbered amounts from the state veterans homes institutional operations appropriation to the new appropriation. Delete the appropriation and the authority to make grants on July 1, 2017.

22. APPROPRIATION FOR TRANSFERS FROM OTHER AGENCIES

Joint Finance: Create a PR appropriation that would permit DVA to expend amounts the Department receives from other agencies for the purposes for which the funds are received.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$65,549,400	$24,874,700	$19,449,400	- $5,425,300	- 21.8%	- $46,100,000	- 70.3%
SEG	45,552,000	22,776,000	45,552,000	22,776,000	100.0	0	0.0
TOTAL	$111,101,400	$47,650,700	$65,001,400	$17,350,700	36.4%	- $46,100,000	- 41.5%

FTE Position Summary

As a corporation, there are no state positions for the Wisconsin Economic Development Corporation.

Budget Change Items

1. GPR REDUCTION

GPR	- $15,800,000

Governor/Joint Finance: Reduce funding by $7,900,000 GPR, annually, to the Wisconsin Economic Development Corporation's (WEDC) operations and programs appropriation. WEDC would have to make unspecified cuts to absorb the reduction.

2. BROWNFIELD GRANT PROGRAM -- OVERSIGHT

Governor/Joint Finance: Specify that WEDC may award a brownfield grant without first considering DOA's recommendations. Under current law, the brownfields grant program provides financial assistance to eligible recipients for remediating environmental contamination on abandoned, idle, or underutilized industrial or commercial sites. Before WEDC awards a brownfield grant, the Corporation must consider the recommendations of DOA and the Department of Natural Resources (DNR). The Governor's proposal would retain the current law requirement that WEDC must consider DNR's recommendations in awarding a brownfield grant but would no longer require the Corporation to consider DOA's recommendations.

3. BROWNFIELD GRANT PROGRAM -- MATCHING FUNDS

Governor/Joint Finance: Repeal the current matching requirements for brownfield grants. Instead, require a grant recipient to contribute to the project for which a brownfield grant is awarded an amount equal to at least 50% of the grant amount. Specify that the provision would first apply to grants awarded on the day following publication of the budget bill.

Under current law, for a brownfield grant that is $300,000 or less, a recipient must contribute at least 20% of the cost of the project in matching funds. For grant amounts of more than $300,000, but no more than $700,000, a local match of 35% is required. Grant amounts exceeding $700,000 must have a local match of 50% of the cost of the project. These matching requirements would no longer apply under the bill. Instead, a grant recipient would have to provide a local match of at least 50% of the grant amount. It should be noted that, under WEDC policy, brownfield grants are generally limited to 30% of eligible project costs (requiring a local match of 70%).

4. TAX CREDIT MODIFICATIONS

Governor/Joint Finance: Make a number of modifications to tax credit programs that are administered, in part, by WEDC. Programs affected would include the jobs, economic development, business development, supplement to the federal historic rehabilitation, angel and early stage seed investment, and enterprise zones tax credits, and are described in "General Fund Taxes -- Income and Franchise Taxes."

5. MERGE WEDC WITH THE WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $24,874,700	$24,874,700	$0
SEG	- 22,776,000	22,776,000	0
Total	- $47,650,700	$47,650,700	$0

Governor: Delete $24,874,700 GPR and $22,776,000 SEG in 2016-17, merge WEDC with the Wisconsin Housing and Economic Development Authority (WHEDA), and create the Forward Wisconsin Development Authority (FWDA) as an Authority of the state. Specify that WEDC, its Board, and the powers of the Board would cease to exist on January 1, 2016, or on the day after publication of the bill, whichever is later, and that the unencumbered balance in the Corporation's appropriations would transfer to FWDA on that date. Specify that all of WEDC's assets and liabilities, incumbent employees, tangible personal property, pending matters, contracts, and policies and procedures would be transferred to FWDA. WEDC and WHEDA would have to, to the greatest extent practical, seek to coordinate their activities and efforts to establish and organize FWDA.

Joint Finance: Delete provision.

6. REMOVE GOVERNOR FROM WEDC BOARD

Joint Finance: Remove the Governor from WEDC's Board of Directors. Specify that the Board's chairperson would be a public member elected by a majority vote of the Board.

7. DELEGATE POWERS OR DUTIES OF THE BOARD

Joint Finance: Authorize WEDC's Board to delegate any power or duty to an employee of the Corporation or to a committee established by the Board.

8. UNASSIGNED BALANCE

GPR	- $12,000,000

Joint Finance: Require WEDC's Board of Directors to revise its unassigned balance policy to establish its target unassigned balance on June 30 of each year to be an amount equal to two-twelfths of its estimated annual administrative expenditures for that year. Require WEDC's unassigned balance policy to be consistent with best practices recommended by the Government Finance Officers Association. Require the Board to submit the revised policy to the Joint Committee on Finance (JFC) and the Joint Legislative Audit Committee, no later than October 1, 2015. Reduce funding in WEDC's operations and programs appropriation by $12,000,000 GPR in 2015-16 to reflect the reduction in the unassigned balance. Place $11,250,000 GPR of these funds in the JFC supplemental appropriation.

As of March 31, 2015, WEDC projected that its budgeted unassigned balance would be $15.3 million at the end of 2014-15, which would be carried forward into 2015-16. This provision would require WEDC to set its target unassigned balance at an amount that equates to two months' of administrative expenditures, which would be approximately $3.5 million in 2014-15, according to the Legislative Audit Bureau's (LAB) May, 2015 audit report. The $12.0 million funding reduction reflects the approximate difference between WEDC's current unassigned balance projected at the end of 2014-15 and the unassigned balance level recommended by the LAB.

9. TRANSFER GPR FUNDING TO JOINT FINANCE'S GPR SUPPLEMENTAL APPROPRIATION

GPR	- $19,800,000

Joint Finance: Reduce funding in WEDC's operations and programs appropriation by $7,400,000 in 2015-16 and by $12,400,000 in 2016-17. Specify that funding provided for WEDC's economic development fund; programs SEG appropriation can also be used for operations of the Corporation. Place $6,650,000 in 2015-16 and $12,400,000 in 2016-17 of these funds in JFC's supplemental appropriation.

10. ECONOMIC DEVELOPMENT GRANT FOR MIDWEST ENERGY RESEARCH CONSORTIUM

GPR	$250,000

Joint Finance: Provide $250,000 in 2015-16 to WEDC for the purpose of making a grant to the Midwest Energy Research Consortium (M-WERC) to be used to support the growth, training, and research and development of private companies in the energy, power, and control sector headquartered in Wisconsin. Require WEDC to develop policies and procedures to determine if a business is headquartered in Wisconsin and eligible for an award from M-WERC. Prohibit M-WERC from expending any of these grant monies after June 30, 2017, or a later date established by WEDC. In addition, specify that any unspent grant monies must be returned to DOA for deposit in the state's general fund. Require that M-WERC be subject to the same reporting requirements that apply to other WEDC grant and loan recipients.

11. ECONOMIC DEVELOPMENT GRANT FOR PROSPERITY SOUTHWEST WISCONSIN

GPR	$250,000

Joint Finance: Provide $250,000 in 2015-16 to WEDC for the purpose of making a grant to Prosperity Southwest Wisconsin for a new revolving loan program in the southwest region of the state to promote regional economic development and entrepreneurial startups.

12. ECONOMIC DEVELOPMENT GRANT FOR NORTH-CENTRAL TECHNICAL COLLEGE

GPR	$150,000

Joint Finance: Provide $150,000 in 2015-16 to WEDC for the purpose of making a grant to the Northcentral Technical College to be used to purchase commercial stoves, ovens, and other equipment for its Culinary Arts program and business incubator facilities.

13. ECONOMIC DEVELOPMENT GRANT FOR MARATHON COUNTY ECONOMIC DEVELOPMENT CORPORATION

GPR	$100,000

Joint Finance: Provide $100,000 in 2015-16 to WEDC for the purpose of making a grant to the Marathon County Economic Development Corporation to be used for a revolving loan fund to support minority owned businesses in Marathon County. Specify that a business would be considered to be "minority owned" if at least 30% of the business is owned by a person who is a member of a minority group.

14. ECONOMIC DEVELOPMENT GRANT FOR ST. CROIX VALLEY BUSINESS INCUBATOR

GPR	$250,000

Joint Finance: Provide $250,000 in 2015-16 to WEDC for the purpose of making a grant to the River Falls Economic Development Corporation to construct the St. Croix Valley Business Incubator. Specify that WEDC may only award the grant if federal monies are secured to finance construction of the St. Croix Valley Business Incubator.

15. GRANT PROGRAM FOR FABRICATION LABORATORY

GPR	$500,000

Joint Finance: Provide $500,000 in 2015-16 to WEDC for the purpose of developing and implementing a program to make up to $500,000 of grants to eligible recipients for purchases of equipment used in fabrication laboratories for instructional and educational purposes by grade school, junior high school, and high school students. Specify that a fabrication laboratory is a medium-scale, high-technology workshop equipped with computer-controlled additive and subtractive manufacturing components, including three-dimensional printers, laser engravers, computer numerical control routers, and plasma cutters.

Specify that awards under the program could be made to eligible applicants, annually, over three grant award years in proportion to the eligible equipment expenditures used in eligible fabrication laboratories in the following manner for each eligible applicant: (a) 75% of eligible expenditures in the first year of the grant award; (b) 50% of eligible expenditures in the second year; and (c) 25% of eligible expenditures in the third year. Prohibit WEDC from making a grant award in excess of $25,000, annually, per eligible recipient (maximum total grant award over three years of $75,000 per recipient). Require WEDC to develop policies and procedures to implement the grant program for fabrication laboratories. Specify that grants must be awarded on a competitive basis, annually, based on financial need and without consideration of whether the grant applicant received an award during the previous calendar year. Specify that WEDC could not certify a person as eligible to receive awards under the program after June 30, 2017.

16. REDUCE LENDING ACTIVITY

Joint Finance: Limit the amount of new loans that WEDC may originate to no more than $10 million in 2015-16 and no more than $5 million in 2016-17. Prohibit WEDC from originating a new loan after June 30, 2017. However, specify that this provision would not apply to the technology development loan program as it existed and was administered by the Corporation on January 1, 2015. Permit WEDC to originate new loans of up to $3 million from non-federal sources, annually, under the technology development loan program, and specify that no annual limit would apply to loans funded from federal revenues.

17. FREIGHT OPTIMIZATION MODELING CONSULTANT SERVICES

Joint Finance: Specify that the Department of Transportation and WEDC must submit a report to the Joint Committee on Finance prior to June 30, 2016, analyzing possible applications of freight optimization modeling for economic development and transportation infrastructure prioritization purposes in the state. Details regarding this provision are described under "Transportation -- Departmentwide."

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Budget Change Item

1. EXECUTIVE DIRECTOR SALARY

Governor/Joint Finance: Provide that the salary of the WHEFA Director would be limited to the maximum of the executive salary group 6 salary range, instead of the group 4 salary range as under current law. In 2014-15, the maximum salary for group 4 executives is $118,333 and the maximum for group 6 executives is $138,029.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Budget Change Item

1. FORWARD WISCONSIN DEVELOPMENT AUTHORITY CREATION

Governor: Consolidate the programs of the Wisconsin Housing and Economic Development Authority (WHEDA) and the Wisconsin Economic Development Corporation (WEDC) into the Forward Wisconsin Development Authority (FWDA), effective January 1, 2016. The following sections describe programs, authorizations and characteristics of WHEDA that would be affected. For additional information on the proposed structure of FWDA, see "Forward Wisconsin Development Authority."

Continuation of Programs. Transfer to FWDA the statutory authority for the following WHEDA programs, which remain active or were recently active and have loans outstanding:

Housing Programs
- Homeownership mortgage loan program
- Housing rehabilitation loan program
- Property tax deferral loan program

Loan Guarantee Programs
- Small business development
- Agricultural development
- Farm asset reinvestment management (FARM)
- Agricultural production (credit relief outreach program [CROP])
- Drought relief agricultural production

The bill also would transfer statutory authority for the following temporary or currently inactive programs:

Housing Programs
- Veterans housing loans
- Qualified subprime refinance loans
- Homeownership eviction and lien protection (HELP)

Loan Guarantee Programs
- Emergency heating assistance
- Recycling
- Public affairs network
- Job training
- Drinking water

Although WHEDA's economic development loan guarantee programs would be retained under FWDA, the bill would repeal the economic development lending program, for which WHEDA is authorized to issue bonds.

FWDA also would be required to continue allocating any year-end unencumbered general reserves, or "surplus." Under current law, WHEDA annually submits to the Governor and Legislature a plan, known as "Dividends for Wisconsin," for expending its unencumbered general reserves on housing and economic development programs.

Other WHEDA programs operated under its general authority, and not specifically created by statute, would be expected to continue. These include: (a) several programs for financing multifamily housing developments; (b) programs for assistance with down payments and closing

costs on the purchase of single-family residences under WHEDA lending programs; and (c) certain other programs operated from WHEDA's general reserves or with federal funds.

Governance and General Provisions. Repeal all current powers of WHEDA as well as the Authority's governance and executive structure. Under current law, the powers of the Authority are vested in a 12-person governing board consisting of: (a) six public members, serving staggered four-year terms, who are nominated by the Governor and confirmed by the Senate; (b) the chief executive officer of WEDC, or his or her designee; (c) the Secretary of Administration, or his or her designee; (d) two Representatives of the Assembly, one of each party; and (e) two members of the Senate, one of each party. The Governor appoints a public member as Chairperson for a one-year term. WHEDA's Executive Director is nominated by the Governor and confirmed by the Senate for two-year terms, and the Executive Director has authority to hire employees as necessary. [See "Forward Wisconsin Development Authority" for additional information on proposed FWDA governance.]

Most statutory authorities specifying the terms of WHEDA's general operations would be transferred to FWDA. For example, the statutory provisions governing WHEDA bond issuance would serve as the same general authorizations for FWDA. Other WHEDA provisions the bill would apply to FWDA include those: (a) declaring Authority documents and records as public records under the state open records law, except those containing personally identifiable information or information that would jeopardize an applicant's competitive position; (b) requiring annual reporting on contracts or business transactions with firms owned predominantly by minority group members or disabled veterans; (c) prohibiting discrimination in occupancy of housing projects assisted by Authority financing; and (d) prohibiting discrimination by contractors or subcontractors engaged in the construction of facilities assisted with Authority financing.

The bill would include standard directives providing that all assets, liabilities, tangible personal property, pending matters and current contracts of WHEDA and WEDC become those of FWDA effective January 1, 2016. WHEDA policies and procedures in effect on the effective date of the merger, to the extent they are not inconsistent with analogous WEDC policies and procedures, are specified to remain in effect until amended or repealed by FWDA, or until a previously specified expiration date, if any.

Employment. The bill specifies all WHEDA and WEDC employees as of January 1, 2016, become employees of FWDA. Under current law, WHEDA employees are considered state employees for purposes of Chapter 40 of the statutes (employee trust funds and employee benefits). As such, WHEDA employees generally are eligible for similar benefits afforded to persons employed by state agencies. WHEDA employees participate in the Wisconsin Retirement System, and WHEDA employees are eligible for health insurance benefits administered by the Group Insurance Board for employees of state agencies. These provisions would not be affected by the bill.

Appropriations and Funds. WHEDA operations are not supported by regular funding from the state. Instead, WHEDA received one-time state funding shortly after its creation in 1972, which has since been repaid, and its operations are funded mostly by: (a) interest rate spreads, which is the difference in interest received from borrowers and interest due to bondholders; (b)

servicing, origination and other fees; and (c) interest and investment income on its fund balances. Irregular appropriations have been made in the past, typically for start-up funding for loan guarantee programs.

Although WHEDA does not receive ongoing state funding, the statutes contain several appropriations that would allow for state funds to transfer to WHEDA, if provided by the Legislature. Any such appropriations generally would be for purposes of: (a) resolving deficiencies in required capital reserves supporting WHEDA's bond issues, which has never been necessary in WHEDA's history to date; or (b) providing funding to the Wisconsin Development Reserve Fund (WDRF), which supports WHEDA's active loan guarantee programs. (2013 Act 20 appropriated $2.5 million GPR in 2013-14 for support of WDRF loan guarantee programs. Prior to this appropriation, no state funds had been transferred to the WDRF since the 1990s.) The bill would repeal all WHEDA appropriations but recreate most under FWDA. The following table lists the appropriations the bill would continue, although none would be budgeted any funds in 2015-17:

FWDA Housing and Loan Guarantee Appropriations

Appropriation Title	Fund Source
Housing programs—general operations	GPR
Housing rehabilitation loan program	GPR
Capital reserve fund deficiency	GPR
Homeowner eviction and lien protection program	GPR
Housing rehabilitation loan-loss reserve	SEG
WDRF—General fund transfers	GPR
WDRF—Environmental fund transfers	SEG
WDRF—Agrichemical management fund transfers	SEG
WDRF—Petroleum inspection fund transfers	SEG

Certain special funds currently administered by WHEDA would be transferred to FWDA, including: (a) the WDRF; (b) the housing development fund, which is to be used to defray costs of developments providing housing for persons of low or moderate income; and (c) the housing rehabilitation loan program administration fund, which supports a program to provide loans for necessary upgrades or energy-efficiency improvements. The bill would retain the statutory authority for separate, but inactive, guarantee funds for the job training and drinking water loan guarantee programs. The state housing authority reserve fund, a segregated fund created in Chapter 25 of the statutes for supporting the housing rehabilitation loan program, generally would not be affected by the bill, although the fund is no longer actively used.

Joint Finance: Delete provision.

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$1,038,673,000	$1,038,638,900	$1,038,638,900	$0	0.0%	- $34,100	0.0%
FED	65,322,800	65,677,600	65,503,600	- 174,000	- 0.3	180,800	0.3
PR	10,533,600	9,191,000	10,614,600	1,423,600	15.5	81,000	0.8
SEG	0	0	500,000	500,000	N.A.	500,000	N.A.
TOTAL	$1,114,529,400	$1,113,507,500	$1,115,257,100	$1,749,600	0.2%	$727,700	0.1%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	23.25	18.75	23.25	4.50	0.00
FED	28.75	22.25	26.75	4.50	- 2.00
PR	12.50	5.00	11.50	6.50	- 1.00
TOTAL	64.50	46.00	61.50	15.50	- 3.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $34,100
FED	354,800
PR	81,000
Total	$401,700

Governor/Joint Finance: Adjust the base budget by -$20,100 GPR in 2015-16 and -$14,000 GPR in 2016-17, $174,900 FED in 2015-16 and $179,900 FED in 2016-17, and $39,700 PR in 2015-16 and $41,300 PR in 2016-17 for: (a) full funding of continuing position salaries and fringe benefits ($63,300 GPR annually, $58,500 FED annually, and $56,500 PR annually); and (b) full funding of lease and directed moves costs (-$83,400 GPR in 2015-16 and -$77,300 GPR in 2016-17, $116,400 FED in 2015-16 and $121,400 FED in 2016-17, and -$16,800 PR in 2015-16 and -$15,200 PR in 2016-17).

2. ELIMINATE LONG-TERM VACANCIES [LFB Paper 720]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$0	- 2.00	- $174,000	0.00	- $174,000	- 2.00
PR	0	- 1.00	0	0.00	0	- 1.00
Total	0	- 3.00	- $174,000	0.00	- $174,000	- 3.00

Governor: Delete 3.0 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include 2.0 FED positions and 1.0 PR position annually. Position reductions are associated with positions that have been vacant for 12 months or more.

Joint Finance: Modify the Governor's recommendation to reduce funding by $87,000 FED annually to reflect the salary and fringe benefit amounts associated with 2.0 vacant FED positions that would be deleted under the bill.

3. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	- 2.50	2.50	0.00
FED	- 0.50	0.50	0.00
Total	- 3.00	3.00	0.00

Governor: Delete 3.00 positions from the following appropriations of the Wisconsin Technical College System, for a shared agency services pilot program under the Department of Administration (DOA): (a) general program operations (-2.50 GPR positions); and (b) federal aid -- state operations (-0.50 FED positions). Funding associated with the positions ($245,900 GPR and $49,400 FED annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

4. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	- 2.00	2.00	0.00
FED	- 4.00	4.00	0.00
Total	- 6.00	6.00	0.00

Governor: Require that all information technology services for the Wisconsin Technical College System be provided by the Department of Administration (DOA).

Delete 6.00 positions from the following appropriations of the Wisconsin Technical College System to transfer responsibility for all information technology services to DOA: (a) general program operations (2.00 GPR positions); and (b) federal aid -- state operations (4.00 FED positions). Funding associated with the positions ($203,700 GPR and $369,200 FED annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of the Wisconsin Technical College System related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA

Joint Finance: Delete provision. [See "Administration -- Transfers."]

5. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that WTCS lapse $65,100 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

6. INCREASE PERFORMANCE BASED FUNDING ALLOCATION [LFB Paper 721]

Governor: Require the System Board to increase the percentage of general state aid allocated to technical colleges based on each district's performance. In fiscal year 2017-18, require that 40% ($35,414,000) of the total amount appropriated as general aid to technical college districts would be distributed according to the performance based formula. Require that the remaining 60% ($53,120,900) be distributed according to the property tax equalization funding formula, which is based on property values and aidable costs. Provide that in 2018-19, an additional 10% of general aid would be distributed using the performance based formula.

Specify that in 2019-20, 100% of general aid would be allocated using the performance based formula. Provide that the statutory language defining the property tax equalization funding formula would no longer apply after July 1, 2019.

Under current law, 20% of general aid funding will be distributed using the performance based formula in 2015-16, and this percentage will increase to 30% in 2016-17, but will then be set at 0% in 2017-18 and thereafter.

Joint Finance: Modify the Governor's recommendations by specifying that the percentage of general aids distributed under the performance based funding formula would remain at 30% in 2017-18 and annually thereafter.

Additionally, require that the Wisconsin Technical College System Board review the performance-based funding formula and submit a report to the Joint Committee on Finance in the 2015-17 biennium. Specify that the report would include possible changes to the performance-based funding formula and additional performance criteria that could be included.

7. ADDITIONAL PERFORMANCE BASED FUNDING CRITERION [LFB Paper 721]

Governor/Joint Finance: Establish an additional criterion that would be added to the nine current law criteria on which performance based funding is allocated. The additional criterion would allocate funding based on the development and implementation of a policy to award course credit for relevant educational experience or training not obtained through an institution of higher education, including skills training received during military service. Under the proposal, each district would choose seven of the 10 statutory criteria on which its performance based funding would be allocated. The additional criterion would be included in the annual report submitted by the Board to the Joint Committee on Finance and in the legislative proposals related to the performance funding criteria required to be included in the Board's biennial budget requests under current law.

8. TUITION FREEZE FOR HIGH DEMAND FIELDS [LFB Paper 722]

Governor: Restrict program fee increases for courses in high-demand fields, as determined by the Department of Workforce Development (DWD). Specify that this determination by DWD would not be considered an administrative rule. The Board could not establish program fees for a course in a high-demand field that would exceed the program fees for the same course in the same district in the most recent school year in which the course was offered. Require DWD to issue an annual report to the Board determining all high-demand fields during that year. Specify that the report would be issued no later than 30 days after the effective date of the act, and by December 31 of each year thereafter.

Joint Finance: Delete provision as a non-fiscal policy item.

9. JOINT SELF-INSURED PLANS

Governor/Joint Finance: Allow two or more technical college districts that together have at least 100 employees (all districts have at least 100 employees) to jointly provide health care benefits to their officers and employees on a self-insured basis, procure stop loss insurance, or self-insure stop loss risk. Provide that any self-insured health plan must comply with current law requirements for self-insured health plans provided by cities, towns, or villages to their employees. Include a self-insurance plan offered by a technical college district in the statutory definition of a third-party payer and in the requirement that every self-insurance plan provide coverage for blood lead tests for children under six years of age in accordance with the recommendations of the Department of Health Services.

10. ELIMINATE EDUCATIONAL APPROVAL BOARD

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $1,423,600	- 6.50	$1,423,600	6.50	$0	0.00

Governor: Delete $711,800 PR and 6.50 PR positions annually by eliminating the Educational Approval Board, effective January 1, 2016.

Transfer the following functions to the proposed Department of Financial Institutions and Professional Standards (DFIPS): (a) authorizing proprietary schools that do business in Wisconsin and seek authorization from the state, defined as private trade, correspondence, business, technical, and other private schools seeking federal funding; (b) maintaining student records if a school operating in Wisconsin discontinues or may discontinue its operations and DFIPS determines that the records are in danger of being made unavailable to students or their authorized representatives and will not be maintained by the Wisconsin Association of Independent Colleges and Universities; and (c) creating rules and establishing standards necessary to fulfill these duties.

Require that student records maintained by DFIPS would be preserved and kept confidential except upon the request of the person who is the subject of the record or an authorized representative of that person. A fee could be charged for providing a copy of a student record, based on the administrative cost of possessing, preserving, and providing the copy of the student record, to be credited in the general operations appropriation of DFIPS. DFIPS could seek a court order to protect student records from being destroyed or made unavailable to the student or the student's authorized representative.

Require DFIPS to issue written authorization to a proprietary school doing business within the state if the school meets requirements established by DFIPS by rule. Require that DFIPS issue rules addressing the following: (a) criteria or standards for providing authorization, including a requirement that the school has accreditation recognized by the U.S. Secretary of Education or recognized by the Council for Higher Education Accreditation; (b) the period for

which DFIPS authorization is valid, to be no longer than four years; (c) criteria or standards and a procedure for revoking authorization previously provided, including revocation if the school loses the required accreditation; (d) criteria or standards and a procedure for the school to regain authorization after its authorization has been revoked; and (e) the fees to be paid to DFIPS for authorization, to be sufficient to cover all costs incurred by DFIPS in authorizing proprietary schools. An authorized school would be required to notify DFIPS if it lost its accreditation during the authorization period. Require DFIPS to cooperate with accrediting agencies or associations recognized by the federal Secretary of Education and with the Secretary of Education regarding certification or recertification of schools to fulfill related obligations required by federal law with respect to any school authorized by DFIPS or for which DFIPS has a pending application for authorization.

Repeal statutory language requiring the inspection, examination, and approval of proprietary schools and the provision requiring approved schools to submit a quarterly report, including information on enrollment, number of teachers and their qualifications, course offerings, number of graduates, number of graduates successfully employed, and other information required by the Board. Delete the provision requiring schools to pay student protection fees to be used for the full or partial payment of losses in the event that a school closure resulted in losses to students, parents, or sponsors.

Transfer to the Department of Agriculture, Trade and Consumer Protection (DATCP) functions relating to consumer protection, including the authority to investigate complaints and potential violations related to proprietary schools and to establish rules and standards necessary to carry out these functions.

Transfer authority to restrict the use of the terms "college" or "university" and to impose sanctions on individuals using false academic credentials to DATCP. Modify requirements limiting the use of the terms "college" or "university" to exclude use of the terms by persons with the foreign equivalent of a U.S. accreditation. Delete provisions allowing the Board to approve authorized institutions of higher education and to charge a fee for evaluating institutions of higher education for approval.

Repeal the following functions of the Board: (a) investigating the adequacy of courses and courses of instruction offered by schools to Wisconsin residents and establishing minimum standards for those courses of instruction; (b) investigating and establishing minimum standards for schools' facilities, equipment, instructional materials, and instructional programs; (c) establishing rules, standards, and criteria to prevent fraud and misrepresentation in the sale and advertising of courses and courses of instruction; (d) establishing rules restricting the negotiability of promissory instruments received by schools in payment of tuition and other charges; (e) establishing minimum standards for refund of the unused portion of tuition, fees, and other charges if a student does not enter a course or course of instruction, withdraws, or is discontinued from the course; (f) requiring schools offering courses and courses of instruction to Wisconsin residents to furnish information concerning their facilities, curricula, instructors, enrollment policies, tuition and other charges and fees, refund policies, and policies concerning the negotiability of promissory instruments received in payment of tuition and other charges; (g) approving courses of instruction, schools, changes of ownership or control of schools, and

teaching locations meeting the requirements, standards, and rules established by the Board and publishing a list of approved schools and courses of instruction and a list of schools authorized to use the terms "college," "university," "state," or "Wisconsin" in their names; (h) issuing permits to individuals soliciting the enrollment of individuals in a school; and (i) requiring schools to furnish a surety bond in an amount as provided by rule.

Delete the provisions requiring an individual selling any course or course of instruction or soliciting students for a course or course of instruction to obtain a solicitor's permit. Under current law, the permit could be revoked if the solicitor provided false or misleading information to the Board or to prospective students, refused to provide information or allow reasonable inspection of the school, or if the school failed to meet requirements, standards, and rules established by the Board. Current law requires individuals applying for a solicitor's permit to supply a surety bond of $2,000 to provide indemnification to any student suffering loss as a result of any fraud or misrepresentation used in procuring the student's enrollment or as a result of the school's failure to fulfill the agreement the solicitor made with the student.

The bill would provide that the Board's assets, liabilities, tangible personal property, and records, except for those related to consumer protection functions, as determined by the Secretary of Administration, would become the assets, liabilities, property, and records of DFIPS. The Board's assets, liabilities, tangible personal property, and records related to consumer protection functions would become the assets, liabilities, property, and records of DATCP.

Any matter pending with the Board on January 1, 2016, except for a matter related to consumer protection functions, as determined by the Secretary of Administration, would be transferred to DFIPS. All materials submitted to or actions taken by the Board would be considered to have been submitted to or taken by DFIPS. Any matter pending on January 1, 2016, related to the Board's consumer protection functions would be transferred to DATCP and all materials submitted to or actions taken by the Board would be considered to have been submitted to or taken by DATCP.

All contracts entered into by the Board prior to January 1, 2016, except for contracts related to functions transferred to DATCP, as determined by the Secretary of Administration, remain in effect and would be transferred to DFIPS. DFIPS would be required to carry out any obligations under a contract until the contract was modified or rescinded by DFIPS, to the extent allowed under the contract. Contracts related to consumer protection functions would be transferred to DATCP and DATCP would be required to carry out any obligations under a contract until the contract was modified or rescinded by DATCP, to the extent allowed under the contract.

All rules and orders developed by the Board in effect on January 1, 2016, would remain in effect until their specified expiration dates or until amended or repealed by DFIPS or DATCP, as applicable. The Secretary of Administration would determine which rules and orders of the Board would become those of DFIPS and which rules and orders would become those of DATCP.

The bill would transfer all unencumbered appropriation account balances that would be

deleted under the board to DFIPS immediately prior to January 1, 2016. Between January 1, 2016, and January 31, 2016, the Secretary of Administration would transfer the unencumbered balance of the portion of the account balances related to consumer protection functions, as determined by the Secretary of Administration, to DATCP.

In case of disagreement among or between the Board, DFIPS, and DATCP, the Secretary of Administration would determine the matter and would develop a plan for the transfer of functions.

Joint Finance: Delete provision.

11. STUDENT FEES FOR ACCIDENT INSURANCE

Joint Finance: Prohibit technical colleges from charging a fee to a student associated with accident insurance coverage if both of the following apply: (a) the student requests that the fee be waived; and (b) the student provides evidence that the student is already insured under a policy providing equivalent accident insurance coverage.

Specify that this provision would first apply to students enrolled for the first semester or session beginning after the effective date of the bill.

12. DEFINITION OF EMPLOYER REPRESENTATIVE ON MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT BOARD

Joint Finance: Require that a person serving on the Milwaukee Area Technical College (MATC) district board representing employers have at least two years of experience managing a business entity, nonprofit organization, credit union, or cooperative association with at least 15 employees, or at least two years of experience managing the finances or the hiring of personnel of a business entity, nonprofit organization, credit union, or cooperative association with at least 100 employees.

Specify that this definition would first apply to appointments made to the MATC district board on the effective date of the bill.

Under current law, the MATC district board is composed of nine members. The members must include five persons representing employers, including three representing employers with 15 or more employees, two representing employers with 100 or more employees, and at least two representing employers in the manufacturing business. The other members must include one school district administrator, one elected official who holds a state or local office, and two additional members.

13. TECHNICAL COLLEGE AGE ELIGIBILITY

Joint Finance: Exempt an individual enrolled in a home-based private educational program from state law prohibiting an individual under the age of 16 from attending a technical college

during the hours of the normal school day. Specify that this provision would first apply to students enrolled for the first semester or session beginning after the effective date of the bill.

Under current law, a person under the age of 16 is eligible to attend a technical college if all of the following apply: (a) the district board agrees to admit the individual; (b) the individual is a Wisconsin resident, or a non-resident whose enrollment has been approved by the district board; (c) the individual has the written permission of his or her parent or guardian; and (d) the individual will not be attending the district school during the hours of the normal school day.

14. VETERAN GRANT JOBS PROGRAM [LFB Paper 703]

SEG	$500,000

Joint Finance: Provide $500,000 SEG from the veterans trust fund to WTCS in 2016-17 to create a veteran grant jobs pilot program. Specify that no moneys may be encumbered from this appropriation after June 30, 2017. Require that before awarding any grants, the System Board identify $500,000 in matching funds for the grants and that no new state moneys could be contributed toward these matching funds.

Require that the System Board create a competitive grant process to distribute grants to districts that request funding to support programs or services for veterans. Specify that relevant programs could include the following: (a) recruiting, training, or graduating veterans in high demand fields, as identified by the Department of Workforce Development; (b) providing specialized support services for veterans, including career pathway planning, case management, advising by experts in military education related to obtaining credit for prior learning, early alert interventions, and referrals to or subcontracting with external organizations to provide specialized support services; (c) collaborations with employers; (d) work-based learning activities, such as internships, service learning, mentoring, job coaching, and job shadowing; (e) specialized instructional methodologies that have been demonstrated to be helpful for veterans to enhance student retention and completion; (f) creating, expanding, or implementing innovative methods that provide direct services to veterans, with a goal to support students through specific completion points such as completion of courses, semesters, programs, or certificates; (g) counseling or career services, which may include personal, educational, and career development support as well as proactive behavior and crisis intervention services; (h) targeted services based on student need such as financial literacy, career assessment and planning services, career workshops, computer skills and study skills workshops, veterans peer support groups or tutoring or supplemental instruction; (i) accommodation and transition services, including assistive technology such as adaptive equipment, instructional aids and devices and related services for injured veterans; (j) providing access or referrals to emergency dependent care and transportation assistance; and (k) any other program or service for veterans. No grant may be awarded after June 30, 2017.

Specify that the System Board would be required to submit a report to the Joint Committee on Finance by September 1, 2017, including the following information: (a) the technical colleges that received grant funding and the amount of funding received by each; (b) the programs or services funded through the grant program; (c) the total number of veterans supported through the program; and (d) the amount of unencumbered funds, if any, that lapsed to the veterans trust fund at the end of the 2015-17 biennium.

WORKFORCE DEVELOPMENT

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$95,719,200	$86,669,400	$87,188,400	$519,000	0.6%	- $8,530,800	- 8.9%
FED	431,919,200	427,198,600	421,599,000	-5,599,600	- 1.3	- 10,320,200	- 2.4
PR	151,431,400	153,047,600	153,355,800	308,200	0.2	1,924,400	1.3
SEG	62,146,600	1,742,000	60,032,400	58,290,400	3,346.2	- 2,114,200	- 3.4
TOTAL	$741,216,400	$668,657,600	$722,175,600	$53,518,000	8.0%	- $19,040,800	- 2.6%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	148.38	148.17	146.87	- 1.30	- 1.51
FED	1,270.67	1,184.63	1,164.13	- 20.50	- 106.54
PR	252.71	238.55	240.25	1.70	- 12.46
SEG	108.00	4.70	67.30	62.60	- 40.70
TOTAL	1,779.76	1,576.05	1,618.55	42.50	- 161.21

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	- $431,400	- 0.21
FED	- 6,319,700	- 83.79
PR	2,044,200	0.00
SEG	729,000	0.00
Total	- $3,977,900	- 84.00

Governor/Joint Finance: Adjust the agency's base budget by deleting $1,374,700 and 69.0 positions in 2015-16, and deleting $2,603,200 with 84.0 positions in 2016-17. The adjustments are for: (a) turnover reduction (-$220,300 GPR, -$1,619,800 FED, -$471,900 PR, and -$160,500 SEG annually); (b) removal of noncontinuing elements from the base (-$14,100 GPR and -0.21 GPR positions annually, -$2,144,800 FED and -68.79 FED positions in 2015-16, -$3,373,300 FED and -83.79 FED positions in 2016-17, -$100 PR annually); (c) full funding of continuing position

salaries and fringe benefits ($18,700 GPR, $1,219,000 FED, $1,339,900 PR, $525,000 SEG annually); (d) overtime ($154,200 PR annually), and (e) minor transfers within the same appropriation. The reduction of 84.0 positions relates to the expiration of primarily federally funded project positions, including unemployment administration, employment assistance, and workforce investment positions.

2. WISCONSIN FAST FORWARD [LFB Paper 730]

GPR	$6,000,000

Governor: Transfer $3,000,000 annually to DWD, and provide authority to administer a career and technical education incentive grants program.

Under current law, the Department of Public Instruction (DPI) administers a career and technical education incentive grants program that provides awards to school districts in the amount of $1,000 for each pupil in the school district who, in the prior school year, obtained a high school diploma in the district and successfully completed an industry-recognized certification program approved by DPI. The bill would eliminate this grant program (funded at $3.0 million GPR in 2014-15 under DPI) and add language to DWD's workforce training (known as "Wisconsin Fast Forward") grant appropriation to include funding for a career and technical education incentive grant program and allow DWD to provide grants to school districts for the development of programs that are designed to mitigate workforce shortages in industries and occupations that are experiencing a workforce shortage, as determined by DWD, and to assist pupils in graduating with industry-recognized certifications in those industries and occupations.

Further, modify DWD's workforce training program appropriation to include two previously separate DWD appropriations: local youth apprenticeship grants and apprenticeship completion awards. Delete the youth apprenticeship training grants program that began in 1991, as funding was last received in the 1997-1999 biennial budget.

Modify the provision regarding eligible uses for Wisconsin Fast Forward workforce training grants to include the hiring and training of apprentices in Wisconsin. DWD would be instructed to report annually on the number of participating apprentices, those that obtained gainful employment or received increased compensation, and the total wages earned by those apprentices both before and after participating in the program.

Under the bill, funding for the expanded Fast Forward grant program would be provided as follows:

	2014-15 Base	Governor 2015-16	Governor 2016-17
Career and Technical Education Incentive Grant (DPI)	$3,000,000	$0	$0
Wisconsin Fast Forward Grants	7,500,000*	12,858,700	12,858,700
Apprenticeship Completion Awards	225,000		
Local youth Apprenticeship Grants	2,233,700		
Youth Apprenticeship Training Grants	0		
Total	$12,958,700	$12,858,700	$12,858,700

*$10.0 million was appropriated for Fast Forward in FY15 but $2.5 million was designated as one-time funding under 2013 Act 139.

Under the bill, funding allocated to the DWD workforce training program administration appropriation, which includes amounts for the administration of the Fast Forward grant program and amounts for the development and maintenance of a labor market information system, would increase $100,000 GPR annually (shifted from the Fast Forward grant appropriation), to $3,274,400 in each year with 4.0 positions.

Joint Finance: Modify the Governor's recommendation to require DWD to make awards of at least $3 million annually to school districts based on current criterion ($1,000 per pupil for those students that obtained a diploma from a district school and successfully completed an industry-recognized certification program).

Specify that DWD annually confer with the Department of Public Instruction and the Wisconsin Technical College System to identify industries and occupations within this state that face workforce shortages or shortages of adequately trained, entry-level workers. Further, specify that the State Superintendent of Public Instruction annually notify school districts of the identified industries and occupations and make this information available on the internet site of the Department of Public Instruction.

Specify that the administration of DWD's fast forward grants and career and technical education incentive grant program be funded from the Department's workforce training program administration appropriation.

Retain Local Youth Apprenticeships and Apprenticeship Completion Awards as separate appropriations at current base funding levels (as shown in the following table).

As modified by Joint Finance, funding would be provided as follows:

	2014-15 Base	Joint Finance 2015-16	Joint Finance 2016-17
DPI Career and Tech. Ed. Incentive Grant	$3,000,000	$0	$0
Wisconsin Fast Forward grants and services*	7,500,000	10,400,000	10,400,000
Apprenticeship Completion Awards	225,000	225,000	225,000
Local Youth Apprenticeships	2,233,700	2,233,700	2,233,700
Total	$12,958,700	$12,858,700	$12,858,700

*FY16 and FY17 amounts include the $3,000,000 annual allocation for Career and Technical Education Incentive Grants to be administered by DWD.

3. TRANSFER INDEPENDENT LIVING GRANT FUNDING TO DHS [LFB Paper 731]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $68,400	$0	- $68,400
FED	- 1,797,400	- 1,200,000	- 2,997,400
Total	- $1,865,800	- $1,200,000	- $3,065,800

Governor: Transfer $34,200 GPR and $898,700 FED annually to reflect the shift of funding to administer independent living services from DWD's Division of Vocational Rehabilitation (DVR). Further, eliminate the Department's obligation to award grants to state independent living centers (ILC). The responsibilities for the administration of the federal ILC grants would move to the Department of Health Services (DHS).

Under current law, DVR assists individuals with disabilities in gaining employment through its vocational rehabilitation program, which is funded through a combination of federal and state matching funds. In addition, DVR receives moneys from the federal government as reimbursement for the fact that individuals who gain employment with vocational rehabilitation services no longer receive certain benefits from social security. The bill would repeal the provision which directs DWD to allocate, in each fiscal year, $600,000 of moneys received from the social security administration to provide ILC grants and, instead, transfer $600,000 in each fiscal year to DHS from DWD's federal appropriation for vocational rehabilitation services.

Currently, both DHS and DWD are budgeted funding to support ILC's providing nonresidential services to severely disabled individuals. Under the bill, all grant funding would be budgeted in DHS, which would administer the program.

Joint Finance: Adopt the Governor's recommendation, as corrected by the administration, to transfer an additional $600,000 FED annually for independent living services from DWD to DHS. Further, specify that DHS make grants to both independent living centers and independent living services.

4. TRANSFER VETERANS GRANT PROGRAM TO DVA [LFB Paper 701]

SEG	- $1,000,000

Governor/Joint Finance: Transfer $500,000 SEG annually and DWD's responsibility to administer and award veteran employment grants to the Department of Veterans Affairs (DVA). Under the program, employers can receive up to a total of $10,000 in funding over a four year period when they hire a qualifying veteran full-time, and up to $5,000 for part-time. DWD's appropriation, funded with revenues from the Veterans Trust Fund to support the program, would be transferred to DVA.

5. TRANSFER VETERANS EMPLOYMENT PROGRAMS TO DVA [LFB Paper 732]

Governor: Modify a provision of 2013 Act 20 that would have transferred two federally-funded veterans employment programs (disabled veterans' outreach program and local veterans' employment representative program) from DWD to DVA, contingent on the approval of the U.S. Department of Labor (DOL), to make this transfer, instead, contingent on the approval of the Governor. If the Governor approves the plan, require the Governor to declare DVA to be the primary coordinator of the employment service delivery system, meaning a service delivery system where labor exchange services, including employment, training, and placement services, are offered in accordance with the federal Wagner-Peyser Act.

Under 2013 Act 20, DWD and DVA were required to jointly prepare a plan for transfer of the administration of the disabled veterans' outreach program and the local veterans' employment representative program from DWD to DVA and were required to submit that plan to the DOL Secretary for approval. The act also stated that if the DOL Secretary were to approve the plan, administration of those programs would be transferred from DWD to DVA. The U.S. Department of Labor did not approve the transfer of these programs as proposed by Act 20.

Expand the statutory scope of DVAs training and employment functions by requiring DVA to operate programs in the state to enhance the employment opportunities of veterans of the U.S. armed forces, including federally funded employment and training programs for veterans. The bill states that such programs be administered by state employees and shall provide service only to eligible individuals.

Modify a statutory provision that expresses the state's policy of providing assistance to veterans and their dependents, to specify that the Department (DVA), rather than the Board of Veterans Affairs, is to determine the "extent" and "conditions" of such assistance. 2011 Wisconsin Act 36 vested much of the authority for making policy as it relates to veterans assistance with the Secretary of the Department of Veterans Affairs, rather than the Board of Veterans Affairs. The change in this item would make the "policy of the state" provision consistent with the Act 36 changes.

No position or funding changes are included with this item. If and when a transfer plan is submitted and approved by Governor, position and funding changes would be made at that time. [Funding of approximately $3.1 million with 37.0 FED positions annually associated with this program are not included under either agency in the bill.]

Joint Finance: Delete provision at the request of the administration.

6. TRANSFER INFORMATION TECHNOLOGY INFRASTRUCTURE POSITIONS TO DOA AND DELETE VACANCIES

	Positions
PR	- 10.00

Governor/Joint Finance: Transfer 4.0 information technology infrastructure positions and incumbent employees from DWD to the Department of Administration (DOA). Delete 6.0 vacant positions in DWD "to reflect infrastructure functions that have transitioned to the Department of Administration." Positions would be transferred or deleted from the following appropriations: (a) interagency and intra-agency agreements (0.15 position); and (b) administrative services (9.85 positions). Funding associated with the positions ($1,068,600 PR annually) would not be reduced, but rather reallocated to supplies and services to pay DOA for information technology services provided.

On the effective date of the bill, 4.0 positions and incumbent employees performing duties "primarily related to infrastructure," as determined by the Secretary of DOA, would be transferred from DWD to DOA. The employees would retain the rights and status they held at DWD before the transfer. Permanent employees would not be required to serve a probationary period. [See "Administration -- Transfers."]

7. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$0	- 2.00	- $104,200	0.00	- $104,200	- 2.00

Governor: Delete 2.0 positions identified by the administration as being generally related to marketing or communications. Two document production assistant positions would be deleted from the federal workforce investment and assistance appropriation. Associated funding ($52,100 FED annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting $52,100 annually associated with the positions.

8. TRANSFER VACANT POSITION TO DEPARTMENT OF ADMINISTRATION FOR INFORMATION TECHNOLOGY PROCUREMENT [LFB Paper 113]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $197,600	- 1.00	$197,600	1.00	$0	0.00

Governor: Transfer 1.0 position (currently vacant) to the Department of Administration for strengthening information technology and services procurement. Delete $98,800 annually from the agency's administrative services appropriation associated with the position.

Joint Finance: Delete provision. [See "Administration -- Transfers."]

9. FEDERAL APPROPRIATIONS REESTIMATE

FED	$3,396,500

Governor/Joint Finance: Provide $2,041,100 in 2015-16 and $1,355,400 in 2016-17 to align federal expenditure authority with the amount of revenue that DWD estimates will be deposited into appropriations. The adjustments are as follows:

Appropriation	2015-16	2016-17
Workforce investment and assistance	$2,936,200	$2,041,200
Promise grant funding	390,800	600,100
Unemployment administration	-1,285,900	-1,285,900
Total	$2,041,100	$1,355,400

10. ELIMINATE LONG-TERM VACANCIES [LFB Paper 733]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$0	- 0.25	- $26,400	0.00	- $26,400	- 0.25
PR	0	- 0.46	- 47,800	0.00	- 47,800	- 0.46
Total	$0	- 0.71	- $74,200	0.00	- $74,200	- 0.71

Governor: Delete 0.71 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include 0.25 FED position and 0.46 PR position annually. Position reductions are associated with positions that have been vacant for 12 months or more.

Joint Finance: Modify the Governor's recommendation by deleting $23,900 PR and $13,200 FED annually associated with the 0.71 positions.

11. LAPSE REQUIREMENT

Governor: Specify that the 2013 Act 145 requirement that DWD lapse $2,673,000 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

Joint Finance: Delete $2,673,000 in 2015-16 to correct a double-count of the first year lapse amount in the state budget system.

12. DWD AND DEPARTMENT OF CORRECTIONS OFFENDER REENTRY AND ASSESSMENT INITIATIVE

Joint Finance: Require that DWD align its workforce development activities under the federal Workforce Innovation and Opportunity Act, 29 USC 3101 to 3361, with Department of Corrections' (DOC) initiatives to reintegrate offenders into the community by doing all of the following: (a) train staff of the DOC in the use of assessment tools to assess the educational and vocational needs and skills of offenders who are incarcerated; (b) provide in its guidelines for the development of local plans under 29 USC 3123 a specific requirement that local workforce development boards established under 29 USC 3122 outline in their local plans how they will work with local and statewide offender reentry initiatives supported by the DOC; (c) appoint a representative of the DOC to serve on any subcommittee of the state workforce development board established under 29 USC 3111 that is responsible for the planning and operation of, and other issues relating to, the state workforce development system to ensure that workforce development programs made available through that system provide workforce development activities serving offenders; and (d) integrate offender reentry initiatives supported by the DOC with DWD's job center network to ensure that offenders are aware of the comprehensive career planning, job placement, job training, and other resources available to them through the job center network.

13. LABOR AND INDUSTRY REVIEW COMMISSION

	Funding	Positions
GPR	- $531,000	- 1.30
FED	- 5,138,800	- 20.50
SEG	- 1,554,200	- 4.70
Total	- $7,224,000	- 26.50

Joint Finance: Delete the Labor and Industry Review Commission (LIRC) funding ($3,612,000 annually), positions and appropriations under DWD and create LIRC's appropriations separately under Chapter 20.427 of the schedule. [See "Labor and Industry Review Commission."]

14. OPT-OUT OF ONE DAY OF REST IN SEVEN

Joint Finance: Permit an employee to state in writing that he or she voluntarily chooses to work without one day of rest in seven. Specify the provision first apply to union contracts on the day the collective bargaining agreement expires, or is extended, modified, or renewed, whichever comes first. Under current law, every factory or mercantile employer must allow each employee 24 hours of rest in every consecutive seven days, except for certain emergency circumstances. The current law requirement does not apply to janitors, security staff, bakeries,

restaurants, hotels and certain dairy and agricultural plants.

15. ELIMINATE THE LABOR AND MANAGEMENT COUNCIL

Joint Finance: Eliminate DWD's Labor and Management Council. Under current law, DOA proposes the elimination of inactive boards, councils, or commissions with the submission of its biennial agency budget request. In its 2015-17 biennial budget request, DOA proposed the elimination of the boards and councils which had not met for at least one year, from September, 2013, to September, 2014.

The Labor and Management Council was created to advise DWD about sponsoring labor and management conferences and meetings and promoting positive relations between labor and management. [See "Administration -- General Agency Provisions."]

16. STATUTORY MINIMUM WAGE REQUIREMENT

Joint Finance: Repeal references to and provisions for a "living wage", including the provision allowing DWD to determine the living wage, and replace them with a "minimum wage". Further, statutorily set most minimum wage levels currently provided in administrative rule DWD 272. Establish in the statutes the allowance against the minimum wage that an employer who provides room and board for an employee may take at the levels currently set by DWD rule. Further, establish in the statutes similar employee classification definitions as currently provided in DWD rules.

Specify that the minimum wage for general employees, minors and agricultural employees is $7.25 per hour. Provide that if an employer furnishes an employee with meals or lodging, the employer may deduct the following amounts from the wages of the employee: (a) for lodging, $58 per week or $8.30 per day and (b) for meals, $87 per week or $4.15 per meal. Define “agricultural employee” to mean an employee who is employed in the operation of farm premises, as described in s. 102.04 (3). Define “minor employee” to mean a person under age 18 who is paid at the applicable minimum wage rate for minors.

Specify that the minimum wage for an opportunity employee is $5.90 per hour. Provide that if an employer furnishes an opportunity employee with meals or lodging, the employer may deduct the following amounts from the wages of the employee: (a) for lodging, $47.20 per week or $6.75 per day and (b) for meals, $70.80 per week or $3.35 per meal. Define “opportunity employee” to mean a person under 20 years of age who is in the first 90 consecutive days of employment with his or her employer.

Specify that the minimum wage for a counselor at a seasonal recreational or educational camp, including a day camp, is $350 per week if meals and lodging are not furnished, $265 per week if only meals are furnished, and $210 per week if both meals and lodging are furnished.

Specify that the minimum wage for a golf caddy is $10.50 for caddying 18 holes and $5.90 for caddying 9 holes.

Specify that if an employer of a tipped employee establishes by the employer's payroll records that, when adding the tips received by the tipped employee in a week to the wages paid to the tipped employee in that week, the tipped employee receives not less than the applicable minimum wage. Provide that the minimum wage for the tipped employee is as follows: (a) for wages earned by a tipped employee who is not an opportunity employee, $2.33 per hour and (b) for wages earned by a tipped employee who is an opportunity employee, $2.13 per hour. Specify that if an employer furnishes a tipped employee with meals or lodging, the employer may deduct the applicable amounts from the wages of the tipped employee. Define "tipped employee" to mean an employee who in the course of employment customarily and regularly receives money or other gratuities from persons other than the employee's employer.

Specify that DWD promulgate rules providing the minimum wage for the following: (a) an employee or worker with a disability covered under a license as defined under s. 104.07; (b) a student learner; and (c) a student employed by an independent college or university for less than 20 hours per week. In addition, specify that DWD promulgate rules that exempt from the minimum wage requirements all of the following: (a) a person engaged in casual employment in and around an employer's home on an irregular or intermittent basis for not more than 15 hours per week; (b) a person who resides in the home of an employer who, due to advanced age or physical or mental disability, cannot care for his or her own needs, for the purpose of companionship and who spends not more than 15 hours per week on general household work for the employer; and (c) an elementary or secondary school student performing student work−like activities in the student's school. [DWD 272 currently contains provisions addressing these categories.]

Repeal the definition of "living wage" and the provision which specifies that within 20 days after the filing of a verified complaint of any person setting forth that the wages paid to any employee in any occupation are not sufficient to enable the employee to maintain himself or herself under conditions consistent with his or her welfare, DWD investigate and determine whether there is reasonable cause to believe that the wage paid to any employee is not a living wage. [Any person could still file a complaint with DWD that a specific employee is being paid in violation of law.]

Repeal the provision which states that if, upon investigation, DWD finds that there is reasonable cause to believe that the wages paid to any employee are not a living wage, DWD appoint a wage council, selected so as fairly to represent employers, employees, and the public, to assist in its investigations and determinations. Further repeal the provision which states that the living wage so determined be the living wage for all employees within the same class as established by the classification of the Department.

Repeal the provision which states that DWD investigate, ascertain, determine, and fix such reasonable classifications, and impose general or special orders, determining the living wage. Also, repeal the provision which states that in determining the living wage, the Department may consider the effect that an increase in the living wage might have on the economy of the state, including the effect of a living wage increase on job creation, retention, and expansion, on the availability of entry-level jobs, and on regional economic conditions within the state.

Further, include technical modifications related to the fine for intimidating a witness and the definition of a minimum wage violation.

Provide that these provisions take effect on the first day of the first month beginning after publication of the budget act.

Worker's Compensation

1. TRANSFER OF WORKER'S COMPENSATION DIVISION FUNCTIONS TO OCI AND DHA [LFB Paper 735]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $1,050,000	0.00	$1,050,000	0.00	$0	0.00
PR	- 230,400	- 2.70	158,400	0.70	- 72,000	- 2.00
SEG	- 60,133,600	- 103.30	59,844,600	67.30	- 289,000	- 36.00
Total	- $61,414,000	- 106.00	$61,053,000	68.00	- $361,000	- 38.00

Governor: Delete $525,000 GPR, $115,200 PR with 2.7 PR positions, and $30,066,800 SEG with 103.3 SEG positions annually. Further, transfer administrative responsibilities of DWD relating to worker's compensation to the Office of the Commissioner of Insurance (OCI) which would include enforcement of the requirement that employers are insured for their worker's compensations liability; granting exemptions from that duty to insure to self-insured employers; administering the self-insured employers fund; administering the uninsured employers fund; and administering the work injury supplemental benefits fund. Transfer the adjudication responsibilities of DWD relating to disputed worker's compensation claims to the Division of Hearings and Appeals (DHA) in the Department of Administration (DOA). While the bill would specify the transfers to be effective January 1, 2016, the funds are transferred on July 1, 2015. The administration has indicated January 1, 2016 was intended.

Appropriation Changes. Create a new subsection in OCI's appropriation section entitled, worker's compensation administration. In this section, create three separate appropriations: auxiliary services, local agreements, and interagency and intra-agency agreements.

Transfer the following appropriations from DWD to OCI: worker's compensation; federal moneys, worker's compensation operations fund; administration, worker's compensation operations fund; contracts, worker's compensation operations fund; uninsured employers program; administration, self-insured employers liability fund, uninsured employers fund; payments, work injury supplemental benefit fund, and special death benefit.

Fund the Labor and Industry Review Commission (LIRC) from the newly created worker's compensation operations fund; administration appropriation under OCI. LIRC would remain an

independent agency of the State of Wisconsin and would remain attached to DWD for limited administrative purposes.

Advisory Committees and Councils. Transfer the Worker's Compensation Advisory Council (WCAC) from DWD to OCI. The WCAC would be appointed by the Commissioner of Insurance (rather than DWD Secretary currently) to consist of a designated employee of OCI as chairperson. The Council would continue to consist of five representatives of employers, and five representatives of employees, and three representatives of insurers authorized to do worker's compensation insurance business in Wisconsin as nonvoting members of the council. Specify that the WCAC shall advise OCI (rather than DWD) in matters concerning Chapter 102 of the Wisconsin statutes (workers compensation).

Transfer the Self-Insurers Council from DWD to OCI. The Self-Insurers Council would consist of five members appointed by the Commissioner of Insurance (rather than DWD Secretary currently) for three-year terms.

Transfer the Health Care Provider Advisory Committee from DWD to OCI. Specify that, the Office (rather than DWD currently) establish an advisory committee composed of health care providers providing treatment under worker's compensation to advise OCI and the WCAC on amending of certain rules regarding necessity of treatment disputes and standards.

Disputes Concerning Compensation Claims. Under current law, DWD performs certain adjudicatory functions relating to worker's compensation. Those adjudicatory functions include adjudicating disputed worker's compensation claims, adjudicating disputes over the reasonableness of fees charged for health services provided to an injured employee and of the amount charged for prescription drugs dispensed to an injured employee (reasonableness of fees), and adjudicating disputes over the necessity of treatment provided to an injured employee (necessity of treatment). Transfer the adjudicatory functions of DWD relating to disputed worker's compensation claims to the Division of Hearings and Appeals in DOA (DHA). Specify disputes over the reasonableness of fees charged by health service providers, the reasonableness of charges for prescription drugs, as well as disputes over the necessity of treatment, would be decided by OCI.

Other Provisions. Specify that OCI's report and examination authority is used as a means to examine the books and records of any insurer insuring the liability for compensation of an employer in Wisconsin.

Create a forfeiture provision within OCI for a violation of a statute or rule where the violator shall forfeit to the state not more than $1,000 for each infraction. Specify that OCI may levy such penalties on whoever violates, intentionally aids a person in violating, or knowingly permits a person over whom he or she has authority to violate an insurance statute which prohibits employers from discriminating against an employee or refusing to rehire an employee because of a claim or attempt to claim compensation benefits. Under current law, the forfeiture range for this infraction is not less than $50 nor more than $500.

Create a definition in the citation procedure section of the worker's compensations statutes of "deputy" to mean any person employed by OCI who is designated as a deputy, who possesses

special, technical, scientific, managerial or personal abilities or qualities in matters within the jurisdiction of the office, and who may be engaged in the performance of duties under the direction of the commissioner, calling for the exercise of those abilities or qualities.

Require that the administrator of DHA assign a hearing examiner to preside over any hearing or review of a worker's compensation claim or other workers compensation dispute. Provide that OCI shall notify DHA of every pending hearing to which the administrator of DHA is required to assign a hearing examiner after OCI is notified that a hearing on the matter is required.

Specify that the administrator of DHA may set the fees to be charged for any services rendered to OCI by a hearing examiner. The fee would cover the total cost of the services.

Reduce the number of DWD unclassified division administrators from nine to eight.

Transfer of Administrative Functions. Provide that the DWD assets, liabilities, tangible personal property, records, pending matters, contracts, administrative rules, and orders primarily related to the administrative functions of the Division of Worker's Compensation in DWD, as determined by the Secretary of DOA, would become the responsibility of OCI on January 1, 2016. The transferred rules, as determined by the Secretary of DOA, would remain in effect until their specified expiration dates or until amended or repealed by OCI. Provide that all positions and all incumbent employees holding those positions in DWD that relate to the administrative functions of the Division of Worker's Compensation in DWD, as determined by the Secretary of DOA, are transferred to OCI on January 1, 2016. Employees transferred under the provision would have the same rights and status related to state employment relations under Chapters 111 and 230 of the statutes. Transferred employees who have attained permanent status would not be required to serve a probationary period.

Transfer of Adjudicatory Functions. Provide that the DWD assets, liabilities, tangible personal property, records, pending matters, contracts, administrative rules, and orders primarily related to the adjudicatory functions of the Division of Worker's Compensation in DWD, as determined by the Secretary of DOA, would become the responsibility of DHA on January 1, 2016. The transferred rules, as determined by the Secretary of DOA, would remain in effect until their specified expiration dates or until amended or repealed by DHA. Provide that all positions and all incumbent employees holding those positions in DWD that relate to the adjudicatory functions of the division of worker's compensation in DWD, as determined by the Secretary of DOA, are transferred to DHA on January 1, 2016. Employees transferred under the provision would have the same rights and status related to state employment relations under Chapters 111 and 230 of the statutes. Transferred employees who have attained permanent status would not be required to serve a probationary period.

Transfer of Councils. Provide that DWD tangible personal property, records, and contracts primarily related to the WCAC and the Self-Insurers Council functions in DWD, as determined by the Secretary of DOA, would become the responsibility of OCI on January 1, 2016.

Net Transfer. Under the bill, in 2016-17 there would be a net reduction of 5.0 worker's

compensation related staff and approximately $3.2 million in available resources.

	Funding (2016-17)			Positions		
	DWD	OCI	DHA	DWD	OCI	DHA
GPR	-$525,000	$525,000	$0	0.00	0.00	0.00
PR	-115,200	120,300	3,686,300*	-2.70	0.70	33.00
SEG	-30,066,800	26,817,000	0	-103.30	67.30	0.00
Total	-$30,707,000	$27,462,300	$3,686,300	-106.00	68.00	33.00

*Program revenue funding provided to DHA reflects the level of charges expected to be assessed to OCI for hearing costs.

Joint Finance: Delete the transfer of workers compensation administrative functions from DWD to OCI.

Approve the transfer of most adjudicatory functions from DWD to DHA. The transfer would be effective January 1, 2016. Specify that a minimum of 18 administrative law judges would be transferred to DHA to hear worker's compensation cases. Further, specify that at least 18 worker's compensation ALJs devote a minimum of 80% of their time on workers compensation duties. Specify that six workers compensation ALJs and two legal support staff remain at DWD to decide claims where a formal hearing is not scheduled and to assist in effective workers compensation administration. Further, delete $144,500 SEG and $36,000 PR annually associated with 5.0 vacant position deletions.

Under the substitute amendment, the fiscal change to DWD and to the DOA Division of Hearings and Appeals would be as follows.

	Funding (2016-17)		Positions	
	DWD	DHA	DWD	DHA
PR	-$36,000	$3,686,300*	-2.00	33.00
SEG	-144,500	0	-36.00	0.00
Total	-$180,500	$$3,686,300	-38.00	33.00

*Program revenue funding provided to DHA reflects the level of charges expected to be assessed to DWD for hearing costs.

In addition, incorporate the following erratum identified by the administration:

Provide that DWD and DHA would generally jointly administer the state workers compensation law. DWD would primarily be responsible for worker's compensation claims where a formal hearing is not scheduled, and DHA would adjudicate contested claims.

Modify statutory sections within the state's Worker's Compensation Act (Chapter 102) that refer to both litigated and nonlitigated worker's compensation claims to apply to both DWD and

DHA. [Under the corrected bill, both DWD and DHA would be authorized to issue orders, make determinations, approve fees, award compensation, file complaints, and review, set aside, modify or confirm a compromise or any other stipulation of settlement of a worker's compensation claim.]

Direct DWD to have and maintain on its staff such examiners as are necessary to mediate claims and to assist in the effective administration of Chapter 102.

Specify that DHA have the right to review, set aside, modify or confirm compromise agreements for litigated cases (compromise cases where the application is ready to be scheduled for a hearing).

Specify that DWD have the right to review, set aside, modify or confirm compromise agreements for nonlitigated cases (compromise cases where the application is not ready to be scheduled for a hearing).

2. TERMINATION OF SUPPLEMENTAL BENEFIT REIMBURSEMENTS AND CHANGES TO THE UNINSURED EMPLOYERS FUND [LFB Paper 736]

Governor/Joint Finance: Under current law, every employee who is receiving workers compensation for permanent total disability or continuous temporary total disability for more than 24 months after the date of injury resulting from an injury that occurred prior to January 1, 2001, is entitled to receive supplemental benefits that are payable in the first instance by a self-insured employer or insurer, but the employer or insurer then is entitled to reimbursement for those supplemental benefits paid from the work injury supplemental benefit fund (WISBF). The WISBF is funded through statutory assessments against insurance carriers and self-insured employers for certain specified injuries and death claims. However, as of May 14, 2013, reimbursement to employers and insurers of supplemental benefit payments was reduced to $0 pursuant to state statute section 102.65(4) which states that the DOA Secretary, in consultation with the Worker's Compensation Advisory Council, is obligated to reduce payments from the WISBF if known claims exceed 85 percent of the cash balance in that fund and the Secretary determines that the cash balance in the WISBF may become inadequate to fund all claims.

Supplemental Benefit Reimbursement Changes for Employers on the Effective Date of the Bill

Terminate reimbursements for supplemental benefits paid by self-insured employers beginning on the effective date of the bill.

Supplemental Benefit Reimbursement Changes for Insurers on the Effective Date of the Bill

Terminate reimbursements for supplemental benefits paid by insurers from the WISBF beginning on the effective date of the bill. Provide that, an insurer paying supplemental benefits would instead be entitled to annual reimbursement from the workers compensation operations fund (WCOF). Under current law, to receive reimbursement, an insurer must file a claim with the Department no later than 12 months after the end of the year in which the supplemental benefits

were paid and the claim must be approved by DWD. After the expiration of the 12 month deadline for filing a supplemental benefit claim the Department would determine the total amount of all claims filed by the deadline and use that total to determine the amount to be collected from each insurer.

Specify that DWD collect from each insurer the proportion of reimbursement approved by the Department for supplemental benefits paid in the year before the previous year that the total indemnity paid or payable by the carrier in worker's compensation cases initially closed during the preceding calendar year (other than for increased, double, or treble compensation) bore to the total indemnity paid in cases closed the previous calendar year by all carriers (other than for increased, double, or treble compensation). The maximum amount that DWD may collect in a calendar year is $5,000,000. If the amount determined collectible in a calendar year is $5,000,000 or less, DWD must collect that amount. If the amount determined collectible in a calendar year exceeds $5,000,000, DWD must collect $5,000,000 in the year in which the determination is made and, subject to the maximum amount collectible of $5,000,000 per calendar year, must collect the excess in the next calendar year or in subsequent calendar years until that excess is collected in full. DWD must require each insurer to make these payments for each fiscal year on such dates as the Department prescribes. Specify that, all amounts be deposited in the WCOF, and used to provide reimbursement to insurers paying supplemental benefits.

Specify that, DWD pay a claim for reimbursement approved by the Department by no later than 16 months after the end of the year in which the claim was received. The maximum amount that the Department may pay in a calendar year is $5,000,000. If the amount determined payable in a calendar year exceeds $5,000,000, DWD would pay the excess in the next calendar year or in subsequent calendar years until that excess is paid in full. The Department would pay claims for reimbursement in the chronological order in which those claims are received.

Specify that no reimbursement would be paid to insurers for employees injured beginning on January 1, 2016 (although the bill would not affect current law provisions which specify that reimbursements only apply for injuries sustained prior to January 1, 2001).

Uninsured Employers Fund (UEF) Changes

Under current law, if an employee of an employer that is not insured for worker's compensation (uninsured employer) suffers an injury for which the uninsured employer is liable, DWD, from the uninsured employers fund (UEF), or, if the Department obtains excess or stop-loss reinsurance from a reinsurer, the reinsurer, pays benefits to the injured employee that are equal to the worker's compensation owed by the uninsured employer. The UEF is funded through penalties assessed against employers for illegally operating a business without worker's compensation insurance as well as reimbursement payments from uninsured employers for benefit payments made by the UEF. The UEF applies only to injuries occurring on or after July 1, 1996. UEF claims filed for injuries occurring prior to July 1, 1996, are not valid.

Specify that DWD must pay a claim of an employee of an uninsured employer in excess of $1,000,000 from the UEF in the first instance. If the claim is not covered by excess or stop-loss reinsurance, the Secretary of DOA must transfer from the WCOF administration appropriation to

the UEF an amount equal to the amount by which payments from the UEF on the claim are in excess of $1,000,000. Each calendar year DWD would file with the DOA Secretary a certificate setting forth the number of claims in excess of $1,000,000 in the preceding year paid from the UEF, the payments made from the UEF on each such claim in the preceding year, and the total payments made from the UEF on all such claims. Based on that information, the DOA Secretary would determine the amount to be transferred in that calendar year. The maximum amount that the DOA Secretary could transfer in a calendar year would be $500,000. If the amount is $500,000 or less, the DOA Secretary would transfer the amount determined. If the amount exceeds $500,000, the Secretary of DOA would transfer $500,000 in the calendar year in which the determination is made and, subject to the maximum transfer amount of $500,000 per calendar year, would transfer that excess in the next calendar year or in subsequent calendar years until that excess is transferred in full. Under the bill, these provisions would first apply to claims paid from the UEF in 2014.

3. WORKER'S COMPENSATION COVERAGE FOR POSTSECONDARY STUDENTS

Governor/Joint Finance: Extend provisions in Wisconsin's workers compensation law to a student of an institution of higher education.

Current law states that a student of a public or private school, while he or she is engaged in performing services as part of a school work training, work experience, or work study program, and who is not on the payroll of an employer that is providing the work training or work experience or who is not otherwise receiving compensation on which a worker's compensation carrier could assess premiums on that employer, is an employee of a school district or private school, that elects to name the student as its employee. A school district or private school may elect to name as its employee a student described by an endorsement on its policy of worker's compensation insurance or, if the school district or, private school, is exempt from the duty to insure, by filing a declaration with the Department naming the student as an employee of the school district or private school. No student of a public or private school, as an employee of the school district or private school, and who makes a claim for compensation, may make a claim or maintain an action in tort against the employer that provided the work training or work experience from which the claim arose.

The bill would add students of an "institution of higher education" to the above provision. "Institution of higher education" would mean an institution within the University of Wisconsin System, a technical college, a tribally controlled college, any private trade, correspondence, business, or technical school as approved by the Educational Approval Board (eliminated under the bill), or a private, nonprofit institution of higher education located in this state.

4. ELECTRONIC RECORDINGS

Governor: Require that all testimony given at worker's compensation hearings shall be recorded by electronic means rather than by a stenographer. Specify that testimony need not be transcribed, unless the examiner conducting the hearing orders otherwise. A copy of the

recording, or a transcript if ordered, would be available upon payment of a fee specified in administrative rule. Under current law, all testimony given at worker's compensation hearings must be taken down by a stenographer, except that in the case of an emergency, testimony may be recorded. [See "Administration" for the full summary of this item]

Joint Finance: Delete provision as a non-fiscal policy item.

5. PROVIDE NOTICES BY ELECTRONIC DELIVERY

Governor: Allow for the electronic delivery of workers compensation applications for hearing, notices of hearing, and orders to pay an award of compensation. Under current law, notices and orders must be sent by mail.

Joint Finance: Delete provision as a non-fiscal policy item.

Unemployment Insurance

1. UI INTEREST PAYMENT

GPR	- $14,000,000

Governor/Joint Finance: Delete $7,000,000 annually to reflect the July 1, 2015, repeal, under 2013 Act 20, of a GPR appropriation to pay unemployment insurance interest costs to the federal government. It is expected that interest owed on federal advances will be paid in full before June 30, 2015.

2. DRUG TESTING FOR UI PROGRAM [LFB Paper 740]

GPR	$500,000

Governor: Create a substance abuse treatment biennial appropriation and provide $500,000 beginning in 2016-17 to fund substance abuse treatment to claimants for unemployment insurance (UI). Further, create a controlled substances testing GPR biennial appropriation for testing of controlled substances and for related expenses, although no funds would be appropriated for 2015-17.

Under current federal law, a state may require a claimant to submit to a test for controlled substances as an eligibility condition to receive unemployment benefits if the claimant: (a) was terminated from employment with his or her most recent employer because of the unlawful use of controlled substances; or (b) is an individual for whom suitable work, as defined under state law, is only available in an occupation that regularly conducts drug testing, as determined in regulations issued by the United States Secretary of Labor (as of February 20, 2015, final federal regulations have not been issued).

Definitions

"Job skills assessment" would mean an assessment conducted by DWD for claimants who misuse controlled substances which claimants must satisfy in order to be considered in full compliance.

"Occupation that regularly conducts drug testing" would mean an occupation identified in the regulations issued by the federal secretary of labor.

"Screening" would mean the screening process created by the Department to determine whether a claimant should be required to submit to a test for the presence of controlled substances.

"Substance abuse treatment program" would mean the program provided by DWD for claimants who misuse controlled substances and that specify criteria that a claimant must satisfy in order to be considered in full compliance with requirements of the substance abuse treatment program.

Program Parameters

Require DWD to establish a program to test claimants who apply for regular unemployment benefits for the presence of controlled substances and, under the program, do all of the following: (a) establish a process to test claimants for the presence of controlled substances and adhere to any applicable federal requirements regarding drug testing, (b) create and provide a substance abuse treatment program for claimants who misuse controlled substances and specify criteria that a claimant must satisfy in order to be considered in full compliance with the program, (c) create a screening process for determining whether a claimant should be required to submit to a test for the presence of controlled substances, (d) create and conduct job skills assessments for claimants who misuse controlled substances and specify criteria that a claimant must satisfy in order to be considered in full compliance with the requirements of the assessment, and (e) promulgate rules identifying occupations for which drug testing is regularly conducted in the state.

When a claimant applies for regular benefits, require DWD to: (a) determine whether the claimant is an individual for whom suitable work is only available in an occupation that regularly conducts drug testing (an occupation identified by the federal Secretary of Labor) and, if so, conduct a screening on the claimant; (b) determine whether the claimant is an individual for whom suitable work is only available in an occupation for which drug testing is regularly conducted in this state (an occupation identified by DWD by rule) and, if so, conduct a screening on the claimant if a screening is not already required; and (c) if a screening indicates that the claimant should be required to submit to a test for the presence of controlled substances, require that the claimant submit to such a test.

Drug Testing Program

Specify that, if a claimant is required to submit to a test for the presence of controlled substances and the claimant declines to submit to such a test, the claimant is ineligible for UI

benefits for 52 weeks after the date of the declining or until the claimant qualifies for benefits in a subsequent benefit year, whichever occurs later.

Specify that, if a claimant who is required to submit to a test for the presence of controlled substances submits to the test and does not test positive for any controlled substance or the claimant presents evidence satisfactory to the Department that the claimant possesses a valid prescription for each controlled substance for which the claimant tests positive, the claimant may receive benefits if otherwise eligible and may not be required to submit to any further test for the presence of controlled substances until a subsequent benefit year.

Specify that, if a claimant who is required to submit to a test for the presence of controlled substances submits to the test and tests positive for one or more controlled substances without presenting evidence satisfactory to the Department that the claimant possesses a valid prescription for each controlled substance for which the claimant tested positive, the claimant is ineligible for benefits until 52 weeks after the date of the test or until the claimant qualifies for benefits in a subsequent benefit year, whichever occurs later. However, the claimant may maintain his or her eligibility for benefits by enrolling in the substance abuse treatment program and undergoing a job skills assessment. Such a claimant remains eligible for benefits, if otherwise eligible, for each week the claimant is in full compliance with any requirements of the substance abuse treatment program and job skills assessment, as determined by DWD in accordance with the rules promulgated by the Department.

Preemployment Drug Testing Program

Specify that, an employer may, in accordance with the rules promulgated by the Department, voluntarily submit to DWD the results of a test for the presence of controlled substances that was conducted on an individual as preemployment screening or notify the Department that an individual declined to submit to such a test as a condition of employment, along with information necessary to identify the individual. Upon receipt of any such results of a test conducted and certified in a manner approved by DWD or notification that an individual declined to submit to such a test, the Department shall determine whether the individual is a claimant receiving benefits. If the individual is a claimant receiving benefits, the Department shall, in accordance with administration rules promulgated by DWD, use that information for purposes of determining eligibility for benefits.

Create a rebuttable presumption that an employee has failed, without good cause, to accept suitable work when offered if the employee declines to submit to a test for the presence of controlled substances in a test conducted on the employee as preemployment screening or the employee tests positive for one or more controlled substances in such a test without evidence of a valid prescription, as evidenced by a report submitted to DWD by an employing unit. If the employee declines to submit to such a test, the employee shall be ineligible for benefits as if the employee had declined to submit to a test, beginning with the week in which the Department receives the report. If the employee tests positive in such a test without evidence of a valid prescription, the employee shall be ineligible for benefits as if the employee had tested positive, beginning with the week in which the Department receives the report, unless agreeing to enroll in the substance abuse treatment program and undergoing a job skills assessment. Require DWD to

promulgate rules specifying how a claimant may overcome the presumption in this paragraph. Require the Department to charge to the UI fund's balancing account any benefits otherwise chargeable to the account of an employer that is subject to the contribution requirements whenever an employee of that employer fails, without good cause, to accept suitable work offered by that employer.

Application

Provide that the drug testing program and preemployment drug testing program would not take effect until the Department has promulgated certain rules to establish the programs. Direct DWD to submit to the Legislative Reference Bureau for publication in the Wisconsin administrative register a notice identifying the date on which the program will be implemented. The DWD Secretary could waive compliance with any provision creating the UI drug testing program if the Secretary determines that waiver of the provision is necessary to permit continued certification of the UI program for grants to the state under Title III of the federal Social Security Act or for maximum credit allowances to employers under the federal Unemployment Tax Act.

Scope Statements for Rules

DWD would be required to present the statements of scope of the administrative rules to the Governor for approval no later than the 180th day after the effective date of the bill.

Emergency Rule Authority

Provide that DWD may promulgate certain rules, as directed by the bill, as emergency rules without the finding of an emergency for the period before the effective date of any corresponding permanent rules but not to exceed the general statutory period for emergency rules (150 to 270 days).

Joint Finance: Modify the Governor's recommendations as follows:

a. Delete the separate treatment appropriation. Further, transfer $250,000 GPR from 2016-17 to 2015-16 for a substance abuse testing and substance abuse treatment biennial appropriation. [$250,000 GPR would be provided each year for testing and treatment, rather than $500,000 beginning in 2016-17 for treatment under the original bill.]

b. Delete language that specifies a 52 week benefit ineligibility period for claimants who test positive or refuse a test for controlled substances. Specify that DWD promulgate rules identifying a period of ineligibility that must elapse or a requalification requirement that must be satisfied, or both, in order for an individual who becomes ineligible for benefits to again qualify for benefits.

c. Specify that if the rules require that a claimant enrolled in the substance abuse treatment program submit to additional tests for the presence of controlled substances following the initial test, the rules allow the claimant to have at least one more positive test result following the initial test without, on that basis, being considered not to be in full compliance with the requirements of the substance abuse treatment program.

d. Specify that DWD charge UI benefit payments for individuals in the drug treatment and skills assessment program to the balancing account, rather than the employer account.

e. Specify that all information relating to a claimant's enrollment in the substance abuse treatment program shall, subject to and in accordance with any rules promulgated by the Department, be confidential and not subject to the right of inspection or copying under s. 19.35(1) of the statutes [open records].

f. Require that the results of the initial screening must provide a reasonable suspicion that the claimant has engaged in the unlawful use of controlled substances to require that the claimant submit to a test for the presence of controlled substances.

g. Delete the term "misuse" in reference to the misuse of controlled substances and replace with "engaged in the unlawful use of" controlled substances.

h. Delete the phrase "for which the supply of the controlled substance indicated by the prescription has not run out" in reference to the definition of a valid prescription and replace with "that has not expired."

i. Clarify that the Department promulgate rules identifying occupations for which drug testing is regularly conducted in this state. Require that DWD notify the United States Department of Labor of the rules promulgated.

j. Under the preemployment drug test reporting program, specify that it be "as a condition of an offer of employment" that the employer require that the employee submit to a test for the presence of controlled substances and the prospective employer "withdrew the conditional offer" after the employee either refused to submit to such a test or tested positive for one or more controlled substances.

k. Specify that DWD may contract with a third-party entity or another state agency to provide a substance abuse treatment program.

3. INCREASE PENALTIES FOR UI FRAUD [LFB Paper 741]

SEG-REV	$1,450,000

Governor: Under current law, a 15 percent surcharge (credited to the UI balancing account) is imposed on certain fraudulent overpayments made to claimants. This payment is in addition to a reduction of future benefits for acts of fraud by two, four, and eight times the weekly benefit rate, escalating with repeat offenses. A UI claimant commits fraud by providing false or inaccurate information to the Department when filing a claim for UI benefits in an effort to obtain monies to which they are not entitled. This bill would increase the penalty described above to a 40 percent surcharge on the benefit payments erroneously paid to the claimant beginning on the day after publication of the budget act.

Also, under current law, any person who knowingly makes a false statement or representation to obtain UI benefit payments may be fined not less than $100 nor more than $500 or imprisoned for not more than 90 days, or both. The bill would eliminate this provision and

replace it with a set of graduated fines and criminal penalties for UI fraud as follows: (a) if the value of any benefits obtained does not exceed $2,500, would be subject to a misdemeanor not to exceed a $10,000 fine or imprisonment not to exceed nine months, or both; (b) if the value of any benefits obtained exceeds $2,500 but does not exceed $5,000, is guilty of a Class I felony (up to 3.5 years imprisonment and up to a $10,000 fine); (c) if the value of any benefits obtained exceeds $5,000 but does not exceed $10,000, is guilty of a Class H felony (up to six years imprisonment and $10,000); (d) if the value of any benefits obtained exceeds $10,000, is guilty of a Class G felony (up to 10 years imprisonment and $25,000).

These criminal penalties would take effect for violations occurring beginning on the first Sunday after publication of the budget act.

Joint Finance: Delete the changes to criminal penalties (maintain current law).

Adopt the Governor's recommendation to increase the surcharge to 40%, but specify it begin on October 4, 2015, or on the first Sunday after publication of the bill, whichever is later. Further, specify that the current 15% surcharge would be deposited to the state's UI trust fund as required by federal law, with the additional 25% surcharge deposited to the state's program integrity fund. Under 2013 Act 36, the program integrity fund is repealed on January 1, 2034. Estimate surcharge revenues for the program integrity fund at $470,000 in 2015-16 and $890,000 in 2016-17.

4. SUITABLE WORK DEFINITION [LFB Paper 742]

Governor: Specify that DWD must, by administrative rule, define a tiered system of what constitutes "suitable work" when a recipient of unemployment insurance is conducting a job search. Current law specifies that a claimant may refuse work for good cause and maintain eligibility for unemployment insurance benefits if the new work involved wages, hours, or other conditions that were significantly lower or less favorable than similar work in the locality, and the claimant had not had reasonable opportunity (up to six weeks) to find a new job substantially in line with the individual's prior job. The bill would require DWD to define by rule what constitutes suitable work for claimants, including to specify different levels of suitable work based upon the number of weeks that a claimant has received benefits in a given benefit year.

Joint Finance: Modify the Governor's recommendation to clarify that the tiered levels of suitable work to be established by DWD would come after the initial six-week canvassing period - the period when claimants can refuse suitable work under 108.04(8)(d) of the statutes.

5. UI PROGRAM INTEGRITY PROGRAM

FED	$869,800

Joint Finance: Increase the DWD federal UI administration continuing, all monies received appropriation by $434,900 annually for program integrity (fraud detection) purposes to the extent allowed by federal law. The Labor and Industry Review Commission federal UI operations continuing appropriation would be reduced by the same amount.

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LEGISLATIVE FISCAL BUREAU

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