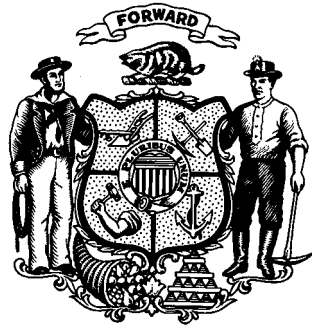


Summary of Budget Recommendations

State Assembly

Changes to Joint Committee on Finance



Legislative Fiscal Bureau
June 15, 2009

2009-11 Wisconsin State Budget

INTRODUCTION

On June 13, 2009, the Assembly completed its deliberations on the 2009-11 state budget.

This document summarizes the changes that the Assembly made to the Joint Finance Committee's version of the budget (ASA 1 to AB 75). The Assembly changes were incorporated in AA 122 to ASA 1 (as amended by AA 15).

The document is organized by functional area. The order of the document is as follows:

- Education and Building Program
- General Government and Justice
- Health Services and Insurance
- Natural Resources and Commerce
- Tax Policy, Children and Families, and Workforce Development
- Transportation and Property Tax Relief

Following this introduction is a Table of Contents and two general fund condition statements. Table 1 reflects the 2009-11 general fund condition statement under ASA 1 to AB 75 as affected by Senate Bill 232 (general school aid payment legislation passed by both houses). Table 2 displays the condition of the general fund under the Assembly.

For each functional area, changes made by the Assembly are listed by agency and program. For each item, a narrative description and corresponding fiscal effect, if any, is provided.

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TABLE 1

2009-11 General Fund Condition Statement

ASA 1 to AB 75 and SB 232

	<u>2009-10</u>	<u>2010-11</u>
Revenues		
Opening Balance, July 1	\$70,420,400	\$327,539,700
Taxes	12,314,543,000	12,848,701,000
Departmental Revenues		
Tribal Gaming Revenues	19,476,600	22,312,000
Other	<u>810,834,600</u>	<u>800,220,500</u>
Total Available	\$13,215,274,600	\$13,998,773,200
Appropriations and Reserves		
Gross Appropriations	\$13,432,277,600	\$13,918,196,100
Compensation Reserves	47,279,100	95,962,700
Less Lapses	<u>-591,821,800</u>	<u>-411,750,200</u>
Net Appropriations	\$12,887,734,900	\$13,602,408,600
Balances		
Gross Balance	\$327,539,700	\$396,364,600*
Less Required Statutory Balance	<u>-65,000,000</u>	<u>-130,000,000</u>
Net Balance, June 30	\$262,539,700	\$266,364,600

*General school aids would be underfunded by \$261,278,000 if no adjustment is made in 2009-10 and 2010-11.

TABLE 2

2009-11 General Fund Condition Statement

Assembly

	<u>2009-10</u>	<u>2010-11</u>
Revenues		
Opening Balance, July 1	\$70,420,400	\$287,731,700
Taxes	12,311,123,000	12,845,201,000
Departmental Revenues		
Tribal Gaming Revenues	19,476,600	22,312,000
Other	<u>780,850,600</u>	<u>749,686,500</u>
Total Available	\$13,181,870,600	\$13,904,931,200
 Appropriations and Reserves		
Gross Appropriations	\$13,438,681,600	\$14,085,671,800
Compensation Reserves	47,279,100	95,962,700
Less Lapses	<u>-591,821,800</u>	<u>-411,750,200</u>
Net Appropriations	\$12,894,138,900	\$13,769,884,300
 Balances		
Gross Balance	\$287,731,700	\$135,046,900
Less Required Statutory Balance	<u>-65,000,000</u>	<u>-130,000,000</u>
Net Balance, June 30	\$222,731,700	\$5,046,900

EDUCATION AND BUILDING PROGRAM

BUDGET MANAGEMENT

1. INCREASE LAPSE OR TRANSFER AMOUNT

Increase the required lapse and transfer amount under the JFC version of the budget by \$20,700,000 (from \$334,107,600 to \$354,807,600).

Chg. to JFC	
GPR-REV	\$20,700,000

2. STRUCTURAL BALANCE EXCEPTION

Specify that the current law requirements that revenues exceed expenditures in each fiscal year would not apply in 2010-11.

BUILDING PROGRAM

1. DELETE UW-MADISON SCHOOL OF NURSING BUILDING PROJECT

Delete \$28,069,700 BR and the related project enumeration of \$47,346,000 from all funding sources for the UW-Madison School of Nursing.

Chg. to JFC	
BR	- \$28,069,700

PUBLIC INSTRUCTION

1. GENERAL SCHOOL AIDS -- SB 232 RELATED ADJUSTMENTS

Provide \$40,278,000 GPR in 2009-10 and \$221,000,000 GPR in 2010-11 and delete an equal amount of federal funding in each year for general school aids. This item would modify the JFC version of the budget to reflect the passage of Senate Bill 232, which would appropriate \$261,278,000 of federal stabilization funding for general school aids in 2008-09, that would have been used in the 2009-11 biennium

Chg. to JFC	
GPR	\$261,278,000
FED	<u>- 261,278,000</u>
Total	\$0

under JFC. In addition, delete references from the substitute amendment to federal funding for general school aids in 2010-11, including the provision for setting the general school aids base for the 2011-13 budget, which are no longer needed under this provision.

2. PRIOR YEAR BASE REVENUE HOLD HARMLESS

Restore the prior year base revenue hold harmless under revenue limits. Under Joint Finance, this adjustment would not apply to the calculation of revenue limits for the 2009-10 and 2010-11 school years. Under this adjustment, a district's initial revenue limit for the current year is, in certain cases, set equal to its prior year's base revenue. This hold harmless applies if a district's initial revenue limit in the current year, after consideration of the per pupil adjustment and low-revenue ceiling, but prior to any other adjustments, is less than the district's base revenue from the prior year.

3. FOUR-YEAR-OLD KINDERGARTEN GRANTS

Provide \$500,000 in 2009-10 in a new biennial appropriation for DPI to provide a grant to the Madison Metropolitan School District in the 2009-11 biennium to establish a four-year-old kindergarten program. Specify that no funding may be encumbered from the appropriation after June 30, 2011.

	Chg. to JFC
GPR	\$500,000

4. GRANTS FOR SCHOOL DISTRICT CONSOLIDATION

Provide \$250,000 annually in the 2009-11 biennium in a biennial appropriation for grants to school districts for consolidation feasibility studies and for a consolidated district. Specify that a consortium of two or more districts could apply to DPI for a grant of up to \$10,000 to conduct a study. Require the consortium to submit a plan identifying the districts engaged in the study, the issues the study will address, and how the grant funds will be expended. Prohibit a district from being a member of more than one consortium. Require DPI to give priority to applications that demonstrate prior attempts to address underlying issues associated with management and operation of the districts' programs. Require a consortium awarded a grant to submit the results of the study to DPI.

	Chg. to JFC
GPR	\$500,000

Notwithstanding the above provisions, provide that, if a school district in Rusk County consolidates with a school district in Barron County effective July 1, 2010, DPI must award a grant in an amount equal to the amount remaining on July 1, 2010, in the appropriation to the consolidated district.

Prohibit DPI from encumbering funds from this appropriation after June 30, 2011.

5. SCHOOL DISTRICT GRANTS

Provide \$180,000 in 2009-10 on a one-time basis to provide grants of \$60,000 each to the following school districts: (a) Pepin Area, for

	Chg. to JFC
GPR	\$180,000

purposes of 4-year-old kindergarten, a distance learning lab, and technology improvements; (b) Cochrane-Fountain City, for purposes of transportation, class size reduction, and comprehensive education; and (c) Plum City, for purposes of transportation and specialized instruction. Prohibit DPI from encumbering funds from this appropriation after June 30, 2010.

6. MILWAUKEE PARENTAL CHOICE PROGRAM ENROLLMENT LIMIT

Specify that the enrollment limit for the choice program be set at 21,500 full-time equivalent pupils in the 2009-10 and 2010-11 school years. Specify that the limit would be set at 22,500 pupils (the current law limit) beginning in the 2011-12 school year.

7. MILWAUKEE PARENTAL CHOICE PROGRAM -- REQUIRED BILINGUAL-BICULTURAL EDUCATION PROGRAM

Delete the Joint Finance provision requiring that, beginning in 2010-11, choice schools have bilingual-bicultural education programs if they have enrollments of more than 10% limited-English proficient (LEP) pupils. Instead, require that, beginning in 2011-12, a choice school must conduct a count of the LEP pupils attending the school under the choice program, assess the language proficiency of such pupils, and classify such pupils by language group, grade level, age, and English language proficiency. Require that the school must establish a bilingual-bicultural education program if, after conducting the count, the school finds that one of the following requirements is satisfied: (a) there are 10 or more LEP pupils in a language group enrolled in grades kindergarten through grade three whose parents give written consent to such pupils' placement in a bilingual program; (b) there are 20 or more LEP pupils in a language group enrolled in grades four to eight whose parents give written consent to such pupils' placement in a bilingual program; or (c) there are 20 or more LEP pupils in a language group enrolled in grades nine to 12 whose parents give written consent to such pupils' placement in a bilingual program. These requirements are similar to those that apply under current law to public schools.

In each case, require that the program would be taught by a bilingual teacher. In the high school grades, bilingual counselors would have to be made available as well. Require that a choice school must obtain written consent from the parent or guardian of each LEP pupil before placing the pupil in a bilingual-bicultural education program. Provide that pupil would be eligible for a bilingual-bicultural education program only until the pupil is able to perform ordinary classwork in English, and that such a program must be designed to provide intensive instruction to meet this objective. Specify that these provisions should not be construed to authorize isolation of pupils of limited-English proficient ability or ethnic background for a substantial portion of the school day. Specify that non-LEP pupils may participate in a bilingual-bicultural education program, except that a choice school must give preference to LEP pupils in admitting pupils to such a program.

Under current law, a bilingual-bicultural education program is defined as a program designed to improve the comprehension and the speaking, reading, and writing ability of a limited-English proficient pupil in the English language, so that the pupil will be able to

perform ordinary classwork in English.

8. MILWAUKEE PARENTAL CHOICE PROGRAM -- SCHOOL ACCREDITATION

Modify the preaccreditation requirement under Joint Finance to specify that it apply to a first-time participant in the choice program on the effective date of the bill, rather than to a school that was not participating in the program on the effective date of the bill. Under Joint Finance, new schools that are not accredited must obtain preaccreditation (defined as the review and approval of an educational plan) from the Institute for the Transformation of Learning at Marquette University prior to participation in the program.

9. LIMIT ON OPEN ENROLLMENT PUPILS AND PER PUPIL AMOUNTS FOR PUPILS FROM MPS

Specify that for 2009-10, no school district that is located in whole or in part in Milwaukee County may accept more pupils from MPS under the public school open enrollment program than it did in 2008-09. Provide that the amount per pupil for those school districts for pupils from MPS in 2009-10 would be the same as in 2008-09.

10. MPS SCHOOL CONSTRUCTION PROJECTS

Require the MPS Board to ensure that at least 30% of the number of full-time equivalent employees hired to work on school district construction projects funded in whole or in part with federal economic stimulus funds, or by a federal interest rate subsidy on bonds, reside with the community development block grant area located in the City, as determined by the Board.

11. TRANSPORTATION FOR PREGNANT STUDENTS

Delete the Joint Finance provision that would have required school districts to offer transportation to all private and public school pupils who reside in the district and are pregnant, even when such pupils reside less than two miles from school, and regardless of whether the pupils reside in a school district that contains all or part of a city. Under current law, school districts are generally not required to provide transportation for pupils who reside less than two miles from school and, under certain conditions, may not be required to provide transportation if the school district is located in a city.

12. ADULT LITERACY GRANTS

Delete the current law requirement that no grant may exceed \$10,000, which would restore the Governor's provision. Base level funding for these grants is \$50,000 GPR annually, which are provided to nonprofit organizations to support programs that train community-based adult literacy staff and to establish new volunteer-based programs.

13. SPECIAL OLYMPICS

Provide \$4,700 annually for aid to the Special Olympics, which would restore the 1% and 5.135% across-the-board reductions applied to this appropriation. Base level funding is \$75,000 GPR annually.

	Chg. to JFC
GPR	\$9,400

UNIVERSITY OF WISCONSIN SYSTEM

1. UW-STEVENSON POINT: DIRECTOR OF THE WISCONSIN INSTITUTE FOR SUSTAINABLE TECHNOLOGY

Increase the appropriation by \$110,000 annually and require the Board of Regents to allocate these funds to the Wisconsin Institute for Sustainable Technology (WIST) at UW-Stevens Point to provide funding for the position of the Director of the Institute. Specify that the Board would only be required to allocate these funds to WIST if federal funds are not available to support this position. Delete the Joint Finance provision specifying that, for the purpose of preparing its agency budget request for the 2011-13 biennial budget, the UW System should submit its request as though the amount of this appropriation for the 2010-11 is \$60,000 more than the amount in the schedule.

	Chg. to JFC
SEG	\$220,000

2. UW-STEVENSON POINT: BACHELOR OF SCIENCE IN NURSING PROGRAM

Require the Board of Regents to plan a bachelor of science degree in nursing at UW-Stevens Point.

3. UW SYSTEM AND WTCS -- REQUIRE VETERANS TO USE FEDERAL EDUCATION BENEFITS BEFORE STATE TUITION AND FEES REMISSIONS

Under the Joint Finance Committee version of the budget, the Board of Regents and each technical college district board would require any student who is a veteran or the spouse, the unmarried surviving spouse, or the child of certain veterans (student) to use the amount of educational assistance that the student is entitled to under the federal Post-9/11 G.I. Bill for the payment of tuition and fees. Modify the Joint Finance provision such that it would not apply to a student who is eligible to receive 12 months or less of educational assistance under the Montgomery G.I. Bill, the Montgomery G.I. Bill for selected reserve members, the Reserve Educational Assistance Program (REAP), or the SDEA Program (other benefit programs). In addition, specify that the provision would take effect on January 1, 2010.

Modify the provision to require HEAB, in consultation with the Board of Regents, the Wisconsin Technical College System (WTCS) Board, and each district board, to determine if a student who is eligible for benefits under both the Post-9/11 G.I. Bill and other benefit programs would be eligible for a greater amount of educational assistance, excluding educational assistance for tuition, under other benefit programs than the student received under the Post-9/11 G.I. Bill. Require HEAB, in consultation with the Board of Regents, the WTCS Board, and each technical college district board, to calculate the amount by which the educational assistance, excluding assistance for tuition, provided under other benefit programs would have been greater than provided under the Post-9/11 G.I. Bill and to reimburse the student this amount in June of the fiscal year from its appropriation for this purpose.

Specify that in June of each fiscal year, HEAB would determine the total amount of reimbursements due to UW and technical college students under these provisions. If the total amount of reimbursements exceeds the amount of available funding, authorize HEAB to prorate the payments to the students. Specify that if payments from HEAB to the students are prorated, then the UW Board of Regents would make payments to students who were enrolled at UW institutions and each technical college district board would make payments to students who were enrolled in each technical college equal to the difference in the amount of reimbursement required under this provision and the amount of reimbursement paid by HEAB.

In addition, modify current law such that the limit of 128 credits for tuition remissions would apply to the sum of remissions received by an individual at all UW System and WTCS institutions.

WISCONSIN TECHNICAL COLLEGE SYSTEM

1. TRAINING PROGRAM GRANTS

Modify the Wisconsin Technical College System training grant program small business set-aside to specify that an employer would be eligible who either has no more than 100 employees or no more than \$10,000,000 in annual income. The Joint Finance version would require a business to meet both criteria in order to qualify. Under current law, a business can meet either criterion.

GENERAL GOVERNMENT AND JUSTICE

ADMINISTRATION

1. LOW-INCOME HEATING ASSISTANCE AND WEATHERIZATION

Specify that not less than \$75 million in 2009-10 be spent by DOA on weatherization and other energy conservation services. Specify that this amount could increase by the cost of living, as determined by DOA in 2010-11 and 2011-12. Under current law, DOA must ensure that 47% of the following is provided for weatherization and other energy conservation programs: (a) federal LIHEAP funds; (b) low-income programs that were established by public utilities as of 1998; (c) low-income assistance funds received from public benefits fees from public utilities; and (d) low-income assistance fees paid to the state from municipal utilities and retail electric cooperatives. The remaining funds are used for low-income heating assistance.

Specify that the Department may transfer up to an additional \$10 million annually from the public benefits fund-supported low-income weatherization program to the low-income heating assistance program in 2009-10 through 2011-12.

Specify that funding received as part of the federal economic stimulus for LIHEAP would not be included in calculations for the public benefits fee for low-income heating assistance in 2009-10 and 2010-11. Specify that funding received from the federal stimulus funding would not be included when considering whether at least \$75 million, plus cost of living increases, is spent on weatherization and other energy conservation programs.

Repeal these changes effective June 30, 2012, and return to the current law requirements for the distribution of funds.

2. USE OF PRIVATE CONTRACTORS DURING A HIRING FREEZE

Specify that private contractors or consultants could not be used to fill duties that would have been performed by state employees in the absence of a hiring freeze or unpaid leave of absence (furlough).

Under ASA 1 to AB 75, executive branch agencies would be prohibited from entering into, renewing, or extending the contract of any contractual services contracts with private contractors or consultants in any year in which the agency was prohibited from hiring employees to fill vacant positions or its employees are required to serve an unpaid leave of absence.

Under ASA 1 an exception would be created if funding for private contractors or consultants is authorized under the federal American Recovery and Reinvestment Act [federal moneys received by the state beginning on the effective date of the bill and ending on June 30, 2011, pursuant to federal legislation enacted during the 111th Congress for the purpose of reviving the economy of the United States] and the DOA Secretary determines that federal

deadlines could not be achieved without the use of private contractors or consultants or a cost benefit analysis is completed that shows that private contractors or consultants would be both more cost effective and more efficient. Under ASA 1, an executive branch agency would be allowed to directly submit a request under a 14-day passive review process, which would allow the agency to hire a private contractor or consultant if the agency submits information to the Joint Committee on Finance stating why they cannot comply with this provision and the Committee approves the request. There would be no change to this exception under the amendment.

This modification would allow executive branch agencies to enter into, renew, or extend contractual services contracts with private contractors or consultants, in years of hiring freezes or furloughs, only if the duty was not otherwise performed by a state employee whose position was frozen or furloughed.

3. GRANT TO RESTORATIVE JUSTICE PROGRAMS, INC.

Chg. to JFC	
GPR	\$50,000

Direct the Department of Administration's Office of Justice Assistance (OJA) to provide a grant of \$50,000 GPR in 2009-10 only to the Restorative Justice Programs, Inc., in Barron County for restorative justice programming. Create a GPR annual "restorative justice" appropriation under OJA to make the grant. Repeal the appropriation effective July 1, 2010.

CORRECTIONS

1. MODIFICATIONS TO SENTENCE ADJUSTMENT AND EXTENDED SUPERVISION DISCHARGE

Exclude the following offenses from sentence adjustment (Class C through I felonies), risk reduction sentence, and extended supervision discharge provisions:

- a. Possession of a gun in a gun-free school zone (948.605(2)(a));
- b. Dangerous weapons other than firearms on school premises (948.61(2)(b));
- c. Provisions regarding "government ethics" violations;
- d. Provisions regarding "offenses against elderly and vulnerable persons;"
- e. Felony murder (940.03);
- f. Kidnapping (940.31);
- g. Physical abuse of a child that causes great bodily harm to a child (948.03(2)(a));
- h. Second-degree reckless homicide (940.06);
- i. Human trafficking (940.302);
- j. Contributing to the delinquency of a minor that causes death of the minor

(948.40(4)(a));

k. Stalking involving bodily harm to a victim or if the offender used a weapon (940.32(3));

l. Mutilating a corpse (940.11(1));

m. Strangulation or suffocation (940.235(1));

n. Disarming a peace officer (941.21); and

o. Sex offender tampering with GPS monitoring device while on supervision (946.465).

Define "offenses related to ethical government" to include the following offenses:

a. Criminal violation of lobby law statutes (13.69(6m);

b. Political influence violations of conduct standards and ethics codes for state and local public officials (19.58(1)(b)); and

c. Misconduct in public office (946.12).

Define "offenses against elderly and vulnerable persons" to include the following offenses:

a. Violations of rules relating to prescription drug assistance for elderly persons (49.688(9)(b));

b. Abuse of vulnerable adults (940.285(2));

c. Abuse and neglect of patients and residents, reckless and negligent (940.29(3)(b)2. or 3.); and

d. Unauthorized use of an individual's personal identifying information or documents (943.201).

EMPLOYEE TRUST FUNDS

1. EMPLOYEE TRUST FUNDS ACTUARIAL STUDY

Provide \$5,000 in 2009-10 to the Department of Employee Trust Funds (ETF) and require ETF to contract for an actuarial study of the impact on the Wisconsin Retirement System (WRS) of increasing the initial amount of the normal form annuity from 65% of final average earnings to 70% of final average earnings for protective occupation participants who receive social security benefits. Create a GPR appropriation account under ETF for this purpose. Repeal the appropriation account effective July 1, 2010.

	Chg. to JFC
GPR	\$5,000

Under current law, for a WRS participant who has reached normal retirement age, the individual's initial formula-based annuity is determined by multiplying together the number of

years of creditable service earned; the participant's monthly final average earnings amount; and the appropriate formula factor for the participant's employment classification. The resulting normal-form annuity amount may not exceed 70% of the participant's final average earnings figure, except that for protective employees the annuity amount may not exceed 65% for those participants covered by Social Security or 85% for those participants not covered by Social Security. [A second annuity option, the money purchase annuity option provides that if an employee's total accumulation account, when supplemented by an equal amount from the employer accumulation account, would purchase a larger annuity than would result from a formula benefit annuity, the higher money purchase annuity will be paid. Money purchase annuities are not subject to the maximum initial annuity limitations that apply to formula benefit annuities.]

2. DEDUCTIONS OF VOLUNTARY PAYMENTS FROM RETIREMENT ANNUITIES

Delete the provisions of ASA 1 to AB 75 that would: (a) require the Secretary of ETF to permit an annuitant who is a member of a retiree organization that is affiliated with an employee organization to have ETF deduct from the annuitant's annuity any monthly voluntary payments for the employee or retiree organization or any other entity affiliated with either organization; (b) require the Secretary to establish a procedure for deducting monthly voluntary payments and for designating the organizations and affiliated entities eligible to receive the voluntary payments and to provide the employee or retiree organization, or affiliated entity with the annuitant's name, amount of the deduction, and a unique identifier; and (c) provide that an employee or retiree organization, or affiliated entity eligible to receive voluntary payments may mail printed information and membership materials to annuitants using a statutory procedure.

3. TREATMENT OF SURVIVOR BENEFITS FOR FEDERAL TAX PURPOSES

Delete the provision to require ETF, before January 1, 2010, to determine whether survivor benefits under Subchapter VI of Chapter 40 of the statutes are subject to taxation under the Internal Revenue Code, as defined in Chapter 40, and to require the Department to ensure that survivor benefits are reported to the Internal Revenue Service in a manner that does not result in an erroneous tax liability for the recipient of the survivor benefits.

GENERAL PROVISIONS

1. CONTRIBUTORY NEGLIGENCE

Delete provisions of ASA 1 to AB 75 related to contributory negligence and jury instructions in civil actions involving contributory negligence.

Under Joint Committee on Finance action, statutory language would have been modified to provide that contributory negligence does not bar recovery in actions to recover damages for negligence resulting in death or in injury to person or property, if that negligent was not greater than the combined negligence of all of the persons against whom recover is sought who are liable in tort to the person recovering and of any person with whom the person recovering has settled, but any damages allowed are diminished in proportion to the amount of negligence attributed to the person recovering. The Committee's provision would have specified that, except for persons who have settled with the plaintiff, no comparison of negligence may be made between the plaintiff and the negligence of any person who is not a party to the action to recover damages. Further, the Committee provision would have maintained a threshold for the application of joint and several liability, but reduce the threshold percentage from the current law 51% of causal negligence to 20% causal negligence. The Committee would have also retained the Governor's provision that, in civil actions involving contributory negligence, the court must explain to the jury the effect on awards and liabilities of the percentage of negligence found by the jury to be attributable to each party.

2. POSTINGS IN THE OFFICIAL STATE NEWSPAPER

Delete the provision that would have specified that legal notices would be posted on agency and constitutionally recognized office websites rather than in the official state newspaper. Request that the Joint Legislative Council form a study committee on legal postings on the internet. Specify that if the Joint Legislative Council conducts this study that it must report the findings to the Legislature by June 30, 2011.

3. TENANT PROTECTIONS IN FORECLOSURE ACTIONS

Modify current law related to tenant protections in foreclosure actions as follows:

a. If the eviction seeks to remove a tenant whose tenancy was terminated as a result of foreclosure judgment and sale, the complaint must identify the actions as an eviction due to a foreclosure action.

b. Specify that tenants may not be named as parties in foreclosure actions unless the tenant has a lien or ownership interest in the property;

c. Specify that if a plaintiff names a tenant in a foreclosure action when the tenant does not have an interest other than as a tenant, the court must award the tenant who should not have been named as a defendant \$250 civil and damages, plus reasonable attorney fees.

d. Delete the provision requiring exclusion of tenant information related to foreclosure actions from the public access Circuit Court website. Instead, specify that in an action for foreclosure of a residential property, the complaint may not name a tenant as a defendant unless the tenant has a lien or ownership interest in the property.

Specify that the provisions would first apply to actions commenced on the effective date of the bill.

4. TECHNICAL MODIFICATIONS TO ASA 1 TO AB 75

Make minor technical and grammatical modifications to ASA 1 to AB 75 identified by the Legislative Reference Bureau and Legislative Fiscal Bureau.

JUSTICE

1. AGENCY 5.135% BUDGET REDUCTIONS

Restore \$2,702,500 (all funds) annually that was deleted as a part of increased agency across-the-board reductions. The reductions were generally equivalent to 5.135% of base level funding. The reductions to DOJ included \$2,157,700 GPR and \$544,800 PR annually. Annual funding restoration amounts would be as follows:

	Chg. to JFC
GPR	\$4,315,400
PR	<u>1,089,600</u>
Total	\$5,405,000

<u>Fund</u>	<u>Appropriation</u>	<u>Base</u>	<u>Annual Restoration</u>
Legal Services			
GPR	General program operations	\$14,120,100	\$725,100
GPR	Special counsel	805,700	41,400
GPR	Legal expenses	825,100	42,400
PR	Environment litigation project	569,300	29,200
PR	Interagency and intra-agency assistance	1,075,100	55,200
Law Enforcement Services			
GPR	General program operations	\$17,049,100	\$875,500
GPR	Officer training reimbursement	83,800	4,300
GPR	Law enforcement community policing grants	250,000	12,800
PR	Criminal history searches; fingerprint identification	4,650,500	238,800
PR	Terminal charges	2,710,000	139,200
PR	Interagency and intra-agency assistance	244,400	12,500
Administrative Services			
GPR	General program operations	\$5,007,900	\$257,200
Victims and Witnesses			
GPR	General program operations	\$1,144,300	\$58,800
GPR	Awards for victims of crimes	1,258,000	64,600
GPR	Reimbursement for victim and witness services	1,422,200	73,000
GPR	Reimbursement for forensic examinations	50,000	2,600
PR	Crime victim compensation services	52,300	2,700
PR	Crime victim restitution	300,000	15,400
PR	Victim compensation, inmate payments	10,900	600
PR	Interagency and intra-agency assistance; reimbursement to counties	508,300	26,100
PR	Victim payments, victim surcharge	488,800	25,100

2. ASSISTANT DISTRICT ATTORNEY AND ASSISTANT STATE PUBLIC DEFENDER COMPENSATION

Chg. to JFC	
PR	-\$1,000,000

Beginning in 2010-11, provide that the Attorney General may, but is not required to, transfer up to \$1 million annually to the District Attorney program (DA) and to the Office of the State Public Defender (SPD) to provide increased compensation for assistant district attorneys and assistant state public defenders. Amend the Department of Justice (DOJ) "assistant district attorney and public defender retention pay" PR appropriation by making it a continuing appropriation and deleting \$1 million PR in expenditure authority in 2010-11. The modifications to the DOJ appropriation reflect that, beginning in 2010-11, the annual level of fund transfers from DOJ to the DA and SPD programs for increased attorney compensation (up to \$1 million annually) would be determined by the Attorney General.

3. CRIME VICTIM AND WITNESS ASSISTANCE SURCHARGE

Provide that, effective July 1, 2011, the first \$20 of each \$27 Part B crime victim and witness assistance surcharge be allocated for grants for sexual assault victim services. The

remaining amounts collected under the Part B crime victim and witness assistance surcharge would be allocated for county victim and witness assistance programs and for crime victim compensation awards.

Under ASA 1 to AB 75, 26% of Part B revenues would be utilized beginning 2009-11 to provide increased funding for county victim and witness assistance programs and for crime victim compensation awards. The remaining 74% of Part B revenues would be utilized to provide grants under the sexual assault victim services grant program. The bill also increases Part B of the crime victim and witness assistance surcharge from \$20 under current law, to \$27.

Under current law, when a court imposes a sentence or places a person on probation, the court also imposes the crime victim and witness assistance surcharge (\$60 for each misdemeanor offense and \$85 for each felony offense). The initial \$40 of the surcharge for a misdemeanor and \$65 for a felony is termed the "Part A" portion of the surcharge and is allocated for county victim and witness assistance programs and for crime victim compensation awards. In addition, this surcharge is also assessed on certain civil convictions. The surcharge revenue from these civil convictions is also allocated to county victim and witness assistance programs and for crime victim compensation awards. The additional \$20 for both a misdemeanor and a felony violation is termed "Part B" of the surcharge. These additional surcharge amounts are authorized to fund the sexual assault victim services grant program.

MILITARY AFFAIRS

1. TAX CHECK-OFF FOR MILITARY FAMILIES

Create a tax-check off on individual income tax forms for contributions to a newly-created military family relief fund. Create a segregated military family relief fund under the administration of the Department of Military Affairs (DMA) for the payment of financial assistance to military families and for the administrative costs that DMA incurs in making these payments. Specify that the fund is comprised of moneys contributed from donations on individual income taxes as well as all donations, gifts, or bequests made to the fund.

Require DMA to provide financial aid to eligible members of the immediate family of members of the U.S. armed forces or of the National Guard who are residents of this state and are serving on active duty in the U.S. armed forces. Require DMA to promulgate rules establishing the criteria and the amount of financial aid. Define "immediate family" as the spouse and dependant children of a service member who are residents of Wisconsin. Specify that DMA may promulgate emergency rules without proving an emergency exists. [See Tax Policy, Children and Families, and Workforce Development" section under Revenue.]

REGULATION AND LICENSING

1. CHIROPRACTIC INSURANCE CLAIMS

Specify that, if a chiropractor waives all or a portion of a patient's copayment, coinsurance, or deductibles due to the chiropractor, the chiropractor may not seek payment from the insurer for any portion of that waived amount, *unless the claim for the services related to the copayment, coinsurance or deductible are reduced by an equal amount*. Specify that if this provision is violated, that the chiropractor must refund the insurer for all payments received from the insurer on the day on which the patient's payment was waived or reduced *or* for the course of treatment for which the patient's payment was waived or reduced.

Under ASA 1 to AB 75, if a chiropractor waives all or a portion of a patient's copayment, coinsurance, or deductibles due to the chiropractor, the chiropractor may not seek payment from the insurer for any portion of that waived amount. Under the bill, as amended, a chiropractor that violates this provision must refund the insurer for all payments received from the insurer on the day on which the patient's payment was waived or reduced *and* for the course of treatment for which the patient's payment was waived or reduced.

HEALTH SERVICES AND INSURANCE

HEALTH SERVICES -- MEDICAL ASSISTANCE

1. REQUIRE DHS TO SUBMIT PLAN TO IMPLEMENT UNSPECIFIED MA EFFICIENCIES AND REDUCTIONS

Require DHS to submit to the Joint Committee on Finance, by August 1, 2009, its plan to administer the MA and SeniorCare programs within the funding appropriated for those programs during the 2009-11 biennium. Further, require DHS to include in its plan a description of the manner in which efficiencies and reductions shall be realized, including an estimate of the state and federal cost savings, by state fiscal year, which would result from each component of the plan and from the plan as a whole. Provide that if the Committee does not schedule a meeting and approve an alternative plan by September 1, 2009, the original plan submitted by DHS shall be deemed approved.

The substitute amendment includes unspecified reductions to the MA and MA-related programs of approximately \$238,051,500 (\$59,117,000 GPR and \$178,934,500 FED) in 2009-10 and by \$307,054,000 (\$91,617,000 GPR and \$215,437,000 FED) in 2010-11. This amendment would require DHS to submit to the Joint Committee on Finance, by August 1, 2009, the Department's plan to implement those currently unspecified reductions, and would establish a passive review process under which the DHS plan would be deemed approved unless the Committee meets and adopts an alternative plan by September 1, 2009.

2. DELIVERY OF MA DENTAL SERVICES IN SOUTHEAST WISCONSIN

Require DHS to use a fee-for-service model for the delivery of MA dental services in Kenosha, Milwaukee, Racine, and Waukesha counties, beginning January 1, 2010.

The state's MA program covers a range of dental services, subject to the limitations established in administrative rule and DHS policy. MA dental services are generally provided on a fee-for-service basis, except in Kenosha, Milwaukee, Racine, and Waukesha counties, where they are delivered primarily by health maintenance organizations (HMOs) pursuant to contracts with DHS.

In a Letter Report dated April 2008, the Legislative Audit Bureau recommended that DHS develop alternatives to the HMO delivery model in order to improve access to care and utilization of dental services by MA recipients in those four counties when the current HMO contracts expire at the end of calendar year 2009. That recommendation was based in part on the Audit Bureau's finding that the managed care system had neither documented that it was providing services more cost-effectively than the fee-for-service system, nor that it was improving its rate of service delivery to MA recipients. This amendment would require DHS to use a fee-for-service delivery system for MA dental services in those four counties beginning January 1, 2010.

3. REPORT ON ADDING COVERAGE OF PODIATRY SERVICES FOR BADGERCARE PLUS CHILDLESS ADULTS

Require the Department of Health Services to prepare a report and submit it to the Joint Committee on Finance by August 15, 2009, that details the fiscal impact of covering podiatric medicine and surgery services of podiatrists under BadgerCare Plus for individuals enrolled in the medical assistance (MA) childless adults demonstration project.

Currently, individuals who participate in the childless adults project are covered under the BadgerCare Plus Core plan, which provides coverage for a more limited set of services than are provided to most BadgerCare Plus enrollees under the standard plan and benchmark plan. Podiatry services are currently covered under the standard plan and the benchmark plan, but not under the BadgerCare Plus Core plan.

4. DISABILITY OMBUDSMAN ADVOCACY SERVICES FOR IRIS PARTICIPANTS

Require DHS to provide participants in the IRIS program access to advocacy services provided through the disability ombudsman program.

Currently, DHS is required to provide advocacy services for individuals under the age of 60 who receive the Family Care benefit. This provision would extend these same services to participants of the IRIS program. The IRIS program (Include, Respect, I Self-Direct), is the self-directed support MA waiver program where individuals may self-direct their own long-term care services and manage an individual designated budget amount. It is the fee-for-service alternative to managed care provided through the state's Family Care program.

HEALTH SERVICES -- PUBLIC HEALTH

1. MARQUETTE DENTAL SCHOOL AND DENTAL SERVICES

Provide \$171,800 GPR annually to restore base funding for GPR-funded grants for dental services, including funding to support dental services provided by the Marquette University School of Dentistry.

	Chg. to JFC
GPR	\$343,600

In 2008-09, DHS is budgeted \$3,176,600 GPR to support dental services, of which DHS allocated \$2,860,500 to support the provision of dental services by students and faculty of Marquette University School of Dentistry in underserved areas and to underserved populations. From this appropriation, DHS also distributes grants for fluoride supplements, a fluoride mouth-rinse program, and a school-based dental sealant program. Under current law,

the DHS may also provide funding to technical college district boards to provide oral health services.

The substitute amendment would reduce base funding for these services by \$171,800 GPR annually. This item restores base funding for these programs.

2. DEFINITION OF A RETAIL TOBACCO STORE

Modify the definition of a "retail tobacco store," as it relates to exceptions to smoking restrictions enacted in 2009 Wisconsin Act 12, so that the sale of cigarettes would be counted, in addition to tobacco products and accessories, in determining whether the store generates 75 percent or more of its gross annual income from the retail sale of tobacco products (and, consequently, qualifies for the exemption). Specify that this change would take effect on July 5, 2010, which is the effective date of Act 12.

Act 12 imposes a statewide ban on smoking in most indoor locations. An exception is provided for retail tobacco stores in existence on the day after publication of Act 12 (June 3, 2009), in which only the smoking of cigars and pipes is allowed. This provision would include the sale of cigarettes in the list of products that would count towards whether a retail establishment qualifies as a "retail tobacco store." Act 12 defines a retail tobacco store as a retail establishment that does not have a "Class B" intoxicating liquor license or a Class "B" fermented malt beverages license and that generates 75 percent or more of its gross annual income from the retail sale of tobacco products and accessories. The current definition does not include the sale of cigarettes as a product that counts towards the gross annual income requirement.

INSURANCE

1. INSURANCE PAYMENT INTERCEPT AND INSURANCE AGENT APPOINTMENT FEES

Delete the provision in the substitute amendment that would establish an insurance payment intercept program, and increase insurance appointment fees to fund the cost of deleting this item.

Insurance Payment Intercept. Under the substitute amendment, insurers would be required, prior to paying certain types of insurance claims to an individual that exceed \$500, to verify with DHS whether the individual has an MA liability and to check the statewide support lien docket to determine whether the individual has a support liability. If DHS determined that the individual had such a liability, the insurer would be required to pay the claim, either to the Department of Children and Families or DHS, to reduce the liability.

	Chg. to JFC
PR-REV	\$3,448,800
GPR-REV	\$3,448,800
GPR	\$3,382,800
FED	4,697,300
PR	<u>- 1,455,900</u>
Total	\$6,624,200

Increase funding in the bill by \$2,164,800 (\$1,116,600 GPR, \$1,533,500 FED, and -\$485,300 PR) in 2009-10 and \$4,459,400 (\$2,266,200 GPR, \$3,163,800 FED, and -\$970,600 PR) in 2010-11 to reflect the net effect of deleting this item.

Insurance Appointment Fees. Increase the annual fees paid by insurance companies for appointments and renewals of appointments of resident and nonresident insurance agents, from \$14 and \$48, respectively (as provided in the substitute amendment), to \$16 and \$50, respectively, and increase estimated revenue generated by the fee increase by \$1,724,400 annually. Because 10% of insurance fee revenue OCI collects is deposited to the general fund, increase GPR-earned estimates by \$172,400 annually. Finally, increase the amount of insurance fee revenue that OCI would be required to lapse to the general fund by \$1,614,100 in 2009-10 and by \$1,628,200 in 2010-11 to reflect: (a) 90% of the additional revenue OCI would collect with the fee increase (\$1,552,000 annually); and (b) a correction to the required lapse amount under the substitute amendment (\$62,100 in 2009-10 and \$76,200 in 2010-11).

2. MINIMUM COVERAGE REQUIREMENTS FOR TREATMENT OF AUTISM SPECTRUM DISORDER

Reduce, from \$60,000 to \$50,000, the minimum coverage that health policies would be required to provide for intensive-level services per insured per year. In addition, reduce, from \$30,000 to \$25,000, the minimum coverage that policies would be required to provide for nonintensive level services per insured per year. Finally, modify the definition of nonintensive level services to specify that these services must be evidence-based.

The substitute amendment would require health policies to provide coverage for treatment of autism spectrum disorder. These services would be provided to individuals with autism spectrum disorder by qualified providers specified in the substitute amendment. Policies would be required to include coverage of: (a) at least \$60,000 for intensive-level services per insured per year, with a minimum of 30 to 35 hours of care per week for a minimum duration of four years; and (b) at least \$30,000 for nonintensive-level services per insured per year. These minimum coverage requirements would be adjusted annually, beginning in 2011, to reflect changes in the consumer price index.

"Intensive-level services" would be defined as evidence-based behavioral therapy designed to help an individual with autism spectrum disorder overcome the cognitive, social and behavioral deficits associated with the disorder. "Nonintensive-level services" would be defined as therapy that occurs after the completion of treatment with intensive-level services and that is designed to sustain and maximize gains made during treatment with intensive-level services or, for an individual who has not and will not receive intensive-level services, therapy that will improve the individual's condition.

3. INDEPENDENT REVIEW OF COVERAGE DENIAL DETERMINATIONS AND RESCISSIONS -- INSURER LIABILITY

Provide that an insurer is not liable for punitive damages for actions taken in compliance with a decision rendered by a certified independent review organization that relates to a preexisting condition denial or rescission.

Provide that, if an insured brings a civil action against an insurer relating to a pre-existing condition exclusion denial determination or a rescission with respect to which an independent review organization has issued a decision, the decision is presumed to be correct, and the insured has the burden of proof of rebutting the presumption.

The substitute amendment would modify current law relating to the types of adverse decisions that are eligible for a review under a group or individual health benefit plan's independent review procedure to include: (a) the rescission of a policy or certificate; and (b) a coverage denial determination based on a preexisting condition exclusion. A rescission may occur if an insurer determines that a policyholder failed to disclose material information at the time the policyholder applied for coverage under the policy.

NATURAL RESOURCES AND COMMERCE

AGRICULTURE, TRADE AND CONSUMER PROTECTION

1. CLEAN SWEEP RESTORATION

Modify Joint Finance by restoring clean sweep under DATCP rather than DNR. Further, restore \$77,200 agrichemical management (ACM) SEG annually with 0.75 position for administration of the clean sweep grant program.

	Chg. to JFC Funding Positions	
SEG	\$154,400	0.75

DATCP has \$102,900 ACM SEG with 1.0 position under current law for clean sweep administration. The \$750,000 annually in recycling SEG for clean sweep grants under ASA 1 would remain, but be budgeted in DATCP.

2. SOIL AND WATER RESOURCE MANAGEMENT APPROPRIATIONS

Increase the Joint Finance funding level for local land and water conservation personnel by \$308,000 nonpoint SEG annually. Further, decrease nutrient management landowner cost-sharing grants by \$308,000 nonpoint SEG annually. Specify that for the purposes of preparing the 2011-13 budget bill, DATCP report the amount for cost-sharing grants as \$308,000 more than actually appropriated in 2010-11.

The following table shows the annual amounts that this item would provide for appropriations under the soil and water resource management (SWRM) program.

<u>Appropriation</u>	<u>2008-09 Base</u>	<u>ASA 1</u>	<u>Amendment</u>
DATCP Administration	\$2,165,900	\$2,006,500	\$2,006,500
County Staffing and Support	4,225,100	4,728,900	5,036,900
Nutrient Management Cost-Sharing	6,520,000	5,356,700	5,048,700*
 Total Nonpoint SEG	 \$12,911,000	 \$12,092,100	 \$12,092,100
 County Staffing and Support (GPR)	 \$5,081,900	 \$4,270,100	 \$4,270,100
 Total County Staffing and Support (GPR and SEG)	 \$9,307,000	 \$8,999,000	 \$9,307,000
 Total Change to County Staffing and Support from 2008-09	 ---	 - \$308,000	 \$0

* The 2011-13 base for cost-sharing would be increased by \$308,000 to \$5,356,700 beginning in 2011-12.

The provision would maintain county staffing grants at currently budgeted levels, while reducing landowner cost-share grants for nutrient management planning and other cropping practices by 23% (18% beginning in 2011-12).

3. WORKING LANDS INITIATIVE - FARMLAND PRESERVATION PROGRAM

Specify that if a political subdivision imposes a higher conversion fee than specified in the substitute amendment, the total fee may be no higher than four times the per-acre value of the highest value category of tillable cropland in the political subdivision in which the land to be rezoned is located, for the year in which the land is to be rezoned. Further, specify that if a political subdivision imposes a conversion fee higher than that currently specified in ASA 1 to AB 75, that fee must be adopted by a vote separate from a vote enacting any other provision of a farmland preservation zoning ordinance.

Under the substitute amendment, land rezoned from a farmland preservation zoning district after January 1, 2010, would be subject to a conversion fee of either: (a) three times the highest value category of tillable cropland in the city, village or town in which the land is located; or (b) an amount specified in the political subdivision's farmland preservation zoning ordinance. By March 1 of each year, a political subdivision would have to report to the Department of Agriculture, Trade and Consumer Protection the number of acres rezoned from farmland preservation zoning districts, and submit a payment of three times the highest value category of tillable cropland for each acre rezoned. Amounts submitted to DATCP would be deposited in the working lands fund created under ASA 1. The substitute amendment does not limit the amount a political subdivision could charge for a conversion fee, but would require that excess fee revenues be used by the unit of government for farmland preservation planning, zoning, or monitoring of compliance. This amendment would limit the amounts political subdivisions could assess as a conversion fee, and would also require a higher conversion fee to be passed on a separate vote.

4. FEE FOR MEAT SLAUGHTERING AND PROCESSING INSPECTIONS

Modify Joint Finance to specify that in establishing a fee to fund meat slaughtering and processing inspections, DATCP may not establish a fee requiring a person operating an establishment where animals are slaughtered to pay a fee based on the number of animals slaughtered.

Under ASA 1 to AB 75, DATCP would be required to consult with industries and groups that would be affected by the rule, but the bill would not specify the fee's structure, application or amount.

COMMERCE

1. CONSTRUCTION CONTRACTOR REGISTRATION

Specify that when Commerce promulgates administrative rules for construction contractor registration, it may promulgate the initial rules as emergency rules without the finding of emergency. Under ASA 1, construction contractors would be required to register with Commerce as of January 1, 2010, and Commerce would be required to promulgate administrative rules to administer the program.

2. BROWNFIELDS GRANT PROGRAM

Decrease the brownfields grant program appropriation by \$230,000 in 2009-10 and \$530,000 in 2010-11. This would provide \$12,381,000 during the biennium, including \$6,340,500 in 2009-10 and \$6,040,500 in 2010-11. The program provides financial assistance for brownfields redevelopment and related environmental remediation projects. Funding is provided from the segregated environmental management account of the environmental fund. Base funding is \$7,000,000 SEG in 2008-09. Under ASA 1, the program would be provided \$13,141,000 during the biennium, including \$6,570,500 in each year.

	Chg. to JFC
SEG	-\$760,000

3. RENEWABLE ENERGY GRANT AND LOAN PROGRAM LAPSE

Restore \$14,850,000, SEG in 2010-11 in the renewable energy grant and loan program, and require Commerce to lapse that amount to the general fund, rather than lapse the amount from the recycling and renewable energy fund. As a result, base level funding for the renewable energy grant and loan program in 2011-12 would be \$14,850,000.

	Chg. to JFC
SEG	\$14,850,000

4. GRANT TO PLEASANT PRAIRIE TECHNOLOGY INCUBATOR CENTER

Require Commerce, in the 2011-13 biennium, and no later than July 31, 2011, to make a grant of \$700,000, from the Wisconsin Development Fund to the Pleasant Prairie Technology Incubator Center, if the Center obtains equal matching funds of \$700,000. The Center would be required to enter into an agreement with Commerce that specified conditions for use of the proceeds of the grant, including reporting and auditing requirements, and to submit to the Department, within six months after spending the full amount of the grant, a report detailing how the grant proceeds were used.

NATURAL RESOURCES

1. DNR SERVICE CENTER WALK-IN SERVICE CLOSURE

Provide \$595,100 GPR and \$64,100 FED in 2009-10 and \$2,380,200 GPR and \$256,400 FED with 46.31 GPR and 4.99 FED positions annually to maintain current walk-in counter service at DNR service centers throughout the state.

	Chg. to JFC	
	Funding	Positions
GPR	\$2,975,300	46.31
FED	<u>320,500</u>	<u>4.99</u>
Total	\$3,295,800	51.30

Further, delete the requirement that DNR submit a plan specifying how the Department would address customers at service centers after walk-in counter service had been eliminated, and delete the requirement that DNR authorize and train recreational vehicle dealers nearest to DNR service centers where counter service had been eliminated to register all-terrain vehicles (ATV), boats, and snowmobiles at their dealerships before other dealers.

The provision restores federal funding and provides GPR funding, rather than conservation fund SEG currently, for the service centers. Currently, DNR customer service and licensing staff provide walk-in services at the following 24 service centers: Antigo, Ashland, Baldwin, Black River Falls, Cumberland, Dodgeville, Hayward, Horicon, Janesville, LaCrosse, Ladysmith, Oshkosh, Park Falls, Peshtigo, Plymouth, Poynette, Sturgeon Bay, Sturtevant, Superior, Waukesha, Wausau, Wautoma, and Woodruff. In addition, the six regional headquarters at Fitchburg, Milwaukee, Eau Claire, Green Bay, Spooner and Rhinelander and the central office in Madison also offer walk-in counter service.

2. PLUM CITY/UNION FIRE EQUIPMENT GRANT

Provide \$108,000 forestry SEG in 2009-10 for forest fire protection grants. Direct DNR to provide this amount to the Village of Plum City in Pierce County for the Plum City-Township of Union Fire Department. No match would be required, and the village would not be required to have entered an agreement with the Department to assist DNR in the suppression of forest fires.

	Chg. to JFC
SEG	\$108,000

Under the forest fire protection program, DNR provides grants to cities, villages, towns, counties, and fire suppression organizations for up to 50% of the costs of purchasing fire resistant clothing and fire suppression supplies, equipment, and vehicles. To be eligible for a fire protection grant, a municipality or fire suppression organization must have entered into a written agreement to assist DNR in the suppression of forest fires when requested.

3. STEWARDSHIP PUBLIC ACCESS -- NONDEPARTMENTAL LAND

Maintain the current law requirement regarding public access on lands acquired with

Warren Knowles-Gaylord Nelson Stewardship program grant funds.

This item deletes the ASA 1 provision which would repeal the requirement that any person receiving a stewardship grant to acquire land in fee simple, or acquire land by an easement or other conveyance that was withdrawn from the managed forest law program, must permit public access to the land for hunting, fishing, trapping, hiking, cross-county skiing, and other nature-based outdoor recreation (as defined by administrative rule), unless the Natural Resources board determines that a closure is necessary to: (a) protect public safety; (b) protect a unique plant or animal; or (c) to accommodate usership patterns, as defined by administrative rule. "Nature-based outdoor recreation" has been defined in administrative rule to mean activities where the primary purpose is the appreciation or enjoyment of nature. These activities may include but are not limited to hiking, bicycling, wildlife, or nature observation, camping, nature study, fishing, hunting, and multi-use trail activities.

4. SOLID WASTE TIPPING FEES FOR PCB CONTAMINATED SEDIMENT

Chg. to JFC	
SEG-REV	- \$760,000

Specify that PCB (polychlorinated biphenyls) contaminated sediment would continue to pay the current \$0.85 per ton environmental management account solid waste tipping fee instead of \$2.50 per ton under ASA 1 if: (a) it meets the same definition as PCB sediments that are currently exempt from the recycling tipping fee; and (b) the PCB sediment removal performed under the project began before the effective date of the bill. This would decrease revenue to the segregated environmental management by approximately \$760,000 during the biennium from the substitute amendment (\$230,000 in 2009-10 and \$530,000 in 2010-11). Currently, solid wastes are not subject to the recycling tipping fee if they are sediments that are contaminated with PCBs, and that are removed from the bed of a navigable water of this state in connection with a phase of a project to remedy contamination of the bed of a navigable water if the quantity of the sediments removed, either in the phase or in combination with other planned phases of the project, will exceed 200,000 cubic yards.

Approximately 600,000 tons of PCB contaminated sediment from the Fox River cleanup would be exempt from the recycling tipping fee during the biennium, including 280,000 tons in 2009-10 (calendar year 2009) and 320,000 tons in 2010-11 (calendar year 2010). Under current law and the substitute amendment, these tons would be subject to the environmental management tipping fee (\$0.85 currently and \$2.50 per ton under the substitute) and nonpoint tipping fee (\$0.75 currently and \$3.20 per ton under ASA 1). This provision would exempt disposal of certain PCB contaminated dredge from the \$1.65 increase in the environmental management tipping fee.

5. PETENWELL AND CASTLE ROCK FLOWAGES MONITORING PROGRAM

Chg. to JFC	
GPR	\$300,000

Provide \$150,000 GPR annually for a comprehensive monitoring study of point and nonpoint source pollutant loading to the Wisconsin River basin between

Merrill in Lincoln County and the Castle Rock Flowage in Adams and Juneau Counties. Specify that no funds may be encumbered after June 30, 2014.

Specify that the study have the following purposes: (a) identify the amounts of nutrients being introduced into the river; (b) characterize and quantify the nutrients, in particular nitrogen and phosphorus, introduced into the river from nonpoint sources relative to climate, land use, soil type, elevation and drainage; (c) collect water quality information from on-river locations, as well as locations on major tributaries and impoundments, for use in evaluating biological, physical and chemical properties of the water to use in watershed modeling; (d) use watershed and river models, and information collected in the study, to forecast the effects of different nutrient-reduction methods on water quality; and (e) develop tools for selecting and implementing practices to reduce nutrients introduced to the river.

Further, require DNR to seek and apply for federal and other available funding that may match state expenditures.

This provision would provide funding for DNR to conduct a monitoring program to identify factors impairing the water quality in the Petenwell and Castle Rock Flowages, which are impoundments of the Wisconsin River. They are both listed on the federal 303(d) list of impaired waters that DNR submits to the federal government. Due to their designation as impaired, DNR is required to develop a plan for the total maximum daily load (TMDL) of pollutants that can be deposited to each body of water. This study would contribute to the efforts to develop TMDLs for the flowages and other impaired waters in the Wisconsin River basin. It is anticipated that federal agencies, private contractors, area stakeholders and private contributors may cooperate in funding the study and providing staffing. DNR is currently conducting TMDL evaluations on several water bodies in Wisconsin, and it is advising the U.S. Environmental Protection Agency on large-scale TMDL efforts being completed in the Lower Fox River and Rock River basins.

6. KOSHKONONG COMPREHENSIVE LAKE MANAGEMENT STUDY

Provide \$50,000 GPR and \$50,000 nonpoint SEG in 2009-10 for DNR to award a grant to the Rock-Koshkonong Lake District for a comprehensive study of options and structures to preserve wetlands, shoreline, fish and wildlife habitat, and the navigability of Lake Koshkonong in Rock, Jefferson and Dane Counties.

	Chg. to JFC
GPR	\$50,000
SEG	<u>50,000</u>
Total	\$100,000

7. CONCENTRATED ANIMAL FEEDING OPERATIONS -- WASTEWATER PERMIT FEES

Eliminate the \$1,200 fee approved by Joint Finance that would be required of an operator of a concentrated animal feeding operation (CAFO) applying for a new Wisconsin Pollution Discharge Elimination System (WPDES)

	Chg. to JFC
GPR-REV	-\$150,000
PR-REV	\$30,000

permit or applying for reissuance of a WPDES permit. Retain the \$345 annual fee specified by Joint Finance, but specify that additional fee revenues beyond the \$250 base permit fee (\$95 per permit) be deposited to a DNR continuing appropriation for general management of the state's water resources. Require DNR to report annually to the Joint Committee on Finance and the appropriate standing committees of the Legislature how additional fee revenues were spent in the previous year. Further, delete the requirement that DNR promulgate rules establishing annual WPDES permit fees for CAFOs on the basis of the number of animal units kept at the operation.

Revenues to the general fund would be reduced by approximately \$75,000 annually under this item.

**TAX POLICY, CHILDREN AND FAMILIES,
AND WORKFORCE DEVELOPMENT**

CHILDREN AND FAMILIES

1. MILWAUKEE CHILD WELFARE AUDIT

Request the Joint Legislative Audit Committee to direct the Legislative Audit Bureau (LAB) to conduct a performance evaluation audit and a financial audit of the Bureau of Milwaukee Child Welfare, rather than require the LAB to conduct the audits.

2. RACINE COUNTY CHILD CARE FACILITY PILOT PROGRAM

	Chg. to JFC
GPR	\$257,000

Direct the Department of Children and Families (DCF) to provide a grant of \$128,500 GPR annually to a child care facility in Racine County to supplement the salaries of staff who have at least an associate degree in early childhood education or child care, such that the salary would be a minimum of \$12.50 per hour, under a two-year pilot program beginning July 1, 2009, or the next contract renewal date thereafter.

Specify that the child care facility participating in the pilot program must meet the following qualifications: (a) not less than 80% of the children receiving care and supervision have family incomes that do not exceed 150% of the federal poverty level; (b) not less than 50% of the staff have been awarded the child development associate credential from the Council for Professional Recognition; (c) has a favorable rating on the early childhood environment rating scale or the infant/toddler environment rating scale; (d) employs a staff member to oversee curriculum development; (e) funds the provision of lesson plan supplies; (f) employs a staff member to provide family support for the families of children receiving care and supervision, including referrals to agencies providing services for families, emergency funds, parent education, and crisis management; (g) provides developmental assessments of the children receiving care and supervision; (h) provides programming to support the social and emotional growth and development of the children receiving care and supervision; (i) has no, or only minor, violations of statutes, rules, or other licensing requirements, as determined by DCF; and (j) provides benefits, such as vacation pay, sick leave, personal leave, and health insurance, for staff.

Finally, require DCF to evaluate the pilot program and to submit a report of the evaluation to the appropriate standing committees of the Legislature and to the Governor no later than December 1, 2011. Specify that the evaluation must determine whether the increased compensation provided under the pilot program was effective in improving staff retention and the quality of the child care provided at the child care facility participating in the pilot program.

GENERAL FUND TAXES

1. INDIVIDUAL INCOME TAX CHECK-OFF FOR DONATIONS TO FOOD BANKS

Create a tax check-off on the individual income tax form for donations to Second Harvest Food Banks in Wisconsin that are members of Feeding America. Permit every individual who has a tax liability or is entitled to a tax refund to designate on the return any amount of additional payment or any amount of a refund due that taxpayer as a donation to Second Harvest Food Banks in Wisconsin that are members of Feeding America. The administration of the check-off would operate in the same manner as the administration of tax check-offs provided under current law. Create a continuing, program revenue appropriation to distribute amounts designated through the check-off and credit monies designated through the check-off, net of any Department of Revenue administrative expenses, to the appropriation. Require the net amount in the appropriation to be distributed as indicated to Second Harvest food banks in the following municipalities: (a) Milwaukee, 65%; (b) Madison, 20%; and (c) Eau Claire, 15%. 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 takes effect after July 31, the provisions would first apply to taxable years beginning on January 1 of the following year.

2. INDIVIDUAL INCOME TAX CHECK-OFF FOR DONATIONS TO MILITARY FAMILY RELIEF FUND

Create a tax-check off on individual income tax forms for contributions to a newly-created military family relief fund. Permit every individual who has a tax liability or is entitled to a tax refund to designate on the return any amount of additional payment or any amount of a refund due that taxpayer as a donation to the military family relief fund. The administration of the check-off would operate in the same manner as the administration of tax check-offs provided under current law. Require amounts designated through the check-off, net of any Department of Revenue administrative expenses, to be deposited in the military family relief fund. 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 takes effect after July 31, the provisions would first apply to taxable years beginning on January 1 of the following year. A related entry on the military family relief fund is located under "General Government and Justice."

3. CORPORATE INCOME AND FRANCHISE TAX -- COMBINED GROUP TAX CREDIT SHARING

Chg. to JFC GPR-REV - \$6,000,000

Provide that, for any year that a corporation that was a member of a combined group had an unused research credit (including the 10% credit related to designing internal combustion engines and the 10% credit for designing and manufacturing certain lighting or building automation systems, or car batteries) and/or research facilities tax

credit or credit carry-forward, the corporation could, after using the credit or carry-forward to offset the corporation's own tax liability, use the unused credit or credit carry-forward to offset the tax liability of all the other members of the combined group, on a proportionate basis. If the corporation was not included in the combined group, the corporation could only apply unused tax credits to that corporation's tax liability, unless otherwise provided by the Department of Revenue (DOR) by rule. This provision would apply to tax years beginning on or after January 1, 2009, and would reduce corporate income and franchise tax revenues by an estimated \$3,000,000 in 2009-10 and 2010-11.

4. CORPORATE INCOME AND FRANCHISE TAX -- ELECTION TO INCLUDE MEMBERS OF CONTROLLED GROUP IN COMBINED REPORT

Authorize the designated agent of a combined group to elect, without first obtaining written approval from the Department of Revenue, to include in its combined group every corporation in its commonly controlled group, regardless of whether those corporations are engaged in the same unitary business as the designated agent. Corporations included in the combined group through this election would be required to use combined reporting only to the extent required under current law provisions that specify the corporations required to use combined reporting. The commonly controlled group would have to calculate its Wisconsin income and apportionment factors under current law combined reporting provisions. All income of all members of the commonly controlled group would be required to be treated as apportionable income for the purposes of the combined report, regardless of whether or not the income would be subject to apportionment, or be allocable to a particular state, in the absence of an election to include all members of the commonly controlled group in the combined group.

The election to include all members of a commonly controlled group in the combined group would have to be executed by the designated agent on an original, timely filed combined report for the group. Any corporation that was included in the commonly controlled group subsequent to the year of election would be considered as having waived any objection to being included in the group's combined report.

An election to include all members of a commonly controlled group in a combined report would be effective for 10 years, and could be renewed for an additional 10 years without prior written approval by DOR, after the election had been effective for 10 years. The renewal would have to be made on an original, timely filed return for the first tax year after the first 10-year election period was completed. An election that was not renewed would be revoked, and could not be renewed for the following three years. DOR would be authorized to disregard the tax effect of an election, or disallow an election, for any controlled group member, if DOR determined the election was for tax avoidance purposes.

This provision would apply to tax years beginning on or after January 1, 2009.

5. ENTERPRISE ZONES CAPITAL INVESTMENT TAX CREDIT

Create a refundable capital investment tax credit equal to up to 10% of the claimant's significant capital expenditures in an enterprise zone as, determined by the Department of Commerce. Commerce would be authorized to certify a business that made a significant capital expenditure in an enterprise zone to receive additional tax benefits in an amount determined by the Department, but not exceeding 10% of the firm's capital expenditures. Commerce would be required to allocate the tax benefits received by a business over the remainder of the life of the enterprise zone. The Department would be required to define "significant capital expenditure" by rule. Under the provisions of ASA 1 to AB 75, funding appropriated for enterprise zone tax credits would be \$1,625,000 GPR in 2009-10 and \$1,865,000 GPR in 2010-11.

6. INDIVIDUAL AND CORPORATE INCOME AND FRANCHISE TAXES -- JOBS TAX CREDIT

Modify provisions included in Assembly Amendment 1 to Assembly Bill 75 that would create a refundable jobs tax credit equal to 10% of the wages paid to an employee who earned at least \$20,000 but not more than \$100,000 in a tier I county, and at least \$30,000 but not more than \$100,000 in a tier II county, for tax years beginning after December 31, 2011. The modifications would be as follows:

a. Provide that the credit could be claimed for tax years beginning after December 31, 2009, but credit claims could not be paid until tax years beginning after December 31, 2011.

b. Limit the total amount of jobs tax credits that could be claimed for tax years beginning on or after January 1, 2010, and ending on June 30, 2013, to \$14,500,000. As a result, credits could be claimed during the current biennium, but could not be paid until the 2011-13 biennium, and the total cost of the credit during the 2011-13 biennium would not increase, but would remain the same as under the provisions of ASA 1 to AB 75.

c. Eliminate the \$100,000 cap on eligible wages and, instead, provide that the credit would equal 10% of wages up to \$100,000, in cases where an employee's wages were greater than \$100,000. Wages would still have to exceed \$20,000 in tier I counties, and \$30,000 in tier II counties.

7. FINANCIAL RECORDS MATCHING PROGRAM

Exempt financial institutions with less than \$10 million in assets from the DOR financial records matching program. This would reduce GPR revenues by an estimated \$750,000 in 2009-10 and \$1,500,000 in 2010-11 and thereafter.

Chg. to JFC GPR-REV - \$2,250,000

8. REGULATION OF CONTRACTORS -- WITHHOLDING AND RULE-MAKING AUTHORITY

Modify provisions in Assembly Substitute Amendment 1 to Assembly Bill 75, to specify that withholding on payments to contractors and single-member limited liability companies be done no more than quarterly, and provide DOR with authority to promulgate administrative rules, including emergency rules without a finding of emergency, to administer the withholding provisions and to define "willful misclassification" for the purpose of imposing the penalty established in ASA 1 to AB 75.

9. TOBACCO PRODUCTS TAX

Chg. to JFC
GPR-REV - \$920,000

Delete the provision in the substitute amendment increasing the maximum tax per cigar from 50 cents to 71 cents and, instead, maintain the current law maximum tax per cigar of 50 cents. As compared to the Joint Finance provision, tobacco products tax revenue would be reduced by an estimated \$420,000 in 2009-10 and \$500,000 in 2010-11.

10. BEER AND WINE PROVIDED BY A NON-PROFIT ORGANIZATION DURING FUNDRAISING EVENTS

Delete the provision in the substitute amendment allowing any non-profit organization to provide beer or wine, free of charge, during either an indoor or outdoor fundraising event, without requiring the non-profit organization to hold any municipal license.

PUBLIC SERVICE COMMISSION

1. POLICE AND FIRE PROTECTION FEE

For purposes of the police and fire protection fee created under ASA 1 to AB 75, modify the definition of communications service to include only active retail voice communications service. This would have the effect of excluding both non-retail and nonvoice communications from the definition. Modify the fee's imposition provision pertaining to the 75 cent per month fee to specify that the fee would be imposed on each communications service connection with an assigned telephone number, including a communication service provided via a voice over Internet protocol connection, and specify that if a communications provider provides multiple communications service connections to a subscriber, the communications provider shall impose a separate fee on each of the first 10 connections and one additional fee for each 10 additional

connections per billed account. Modify the provision that allows a provider to list the fee separately from other charges on a subscriber's bill to also allow a provider to combine the fee with the charge authorized under current law provisions for 911 services if the provider identifies the combined fee and charge as "charge for funding countywide 911 systems plus police and fire protection fee."

2. INTERVENOR FINANCING

Chg. to JFC	
PR-REV	\$600,000
PR	600,000

Increase the Public Service Commission's intervenor financing appropriation by \$300,000 PR annually and change the appropriation to a biennial appropriation from an annual appropriation. Require the Public Service Commission to provide \$300,000 annually to a nonstock, nonprofit corporation that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code and that has a history of advocating on behalf of residential ratepayers for affordable rates to be used to offset the corporation's general expenses. Intervenor financing is funded with assessments on public utilities.

3. FUEL ADJUSTMENT CLAUSE FOR ELECTRIC PUBLIC UTILITIES

Repeal the current law provision that authorizes the Public Service Commission to grant a rate increase to a utility after a limited public hearing if the utility experiences an increase in fuel costs that is of an extraordinary or emergency nature and, instead, create the following provisions: (a) require the Commission to defer any under- or over-collection of fuel costs that are outside of the electric public utility's symmetrical fuel cost annual tolerance, as established by the Commission, for subsequent rate recovery or refund, if an electric public utility has an approved fuel cost plan; (b) authorize the Commission to commence a proceeding to adjust rates for an electric public utility outside of a general rate case proceeding if the utility's actual fuel costs are outside of the electric public utility's fuel cost annual tolerance, as established by the Commission; and (c) provide that approval of a fuel cost plan and any rate adjustment for deferred fuel costs or refund of over-collected fuel costs shall be determined by the Commission, after an opportunity for hearing has occurred. Modify the current law provision that requires the Commission to promulgate a rule to, instead, require the Commission to promulgate a rule to implement the preceding provisions

WORKFORCE DEVELOPMENT

1. RULE-MAKING AUTHORITY FOR WILLFUL MISCLASSIFICATION

Require the Department of Workforce (DWD) to promulgate administrative rules to define what constitutes "willful misclassification," for the purposes of imposing the penalty established under unemployment insurance, worker's compensation, and equal rights laws in Assembly Substitute Amendment 1 to Assembly Bill 75. Authorize the rules to be promulgated as emergency rules without a finding of emergency.

2. PENALTY FOR FAILURE TO LIST DEDUCTIONS FROM WAGES

Authorize DWD, in cases where an employer fails to provide a listing of deductions from an employee's pay, to order an employer to pay the employee, as liquidated damages, an amount between \$50 and \$500 for each violation.

3. EMPLOYMENT OF APPRENTICES ON STATE PUBLIC WORKS PROJECTS

Modify provisions included in Assembly Substitute Amendment 1 to Assembly Bill 75 that require employers performing contract work on state projects subject to the prevailing wage law, and that include work in apprenticeable trades, to be an approved apprenticeship trade trainer or be certified as a sponsor of an apprenticeship program as follows:

a. Provide that, if DWD provides an exception or modification to an employer, DWD would be required to post that information on its Internet site, together with a detailed explanation of why the exception or modification was granted.

b. Require employers, no later than 15 days after the end of the month in which an employer performs work on a project, to submit to DWD, in an electronic format, a report including the number of employees working in trades that were apprenticeable, the number of apprentices employed on the project, the race, sex, and average age of those apprentices, and the daily number of hours worked by those apprentices. DWD would be required to post on its Internet site a running summary of those reports, summarizing for each month, the information described above.

c. Require DWD to grant an employer a grace period of up to 10 days each year for submitting the reports. All projects on which an employer performed work during a calendar year, as a contractor, subcontractor, or agent, would be subject to a single grace period. If an employer failed to submit a report within the required grace period, for each project on which the employer performed work, the employer would forfeit \$1,000 for each day the grace period was exceeded.

d. Require DWD to distribute to all state agencies lists of persons who exceeded the grace period in filing required reports at any time during the preceding three years. DWD would have to include with any name, the address of the person, and specify when the person exceeded the grace period. A state agency could not award a contract to the person, unless otherwise recommended by DWD, until the later of three years elapsed from the date on which DWD issued its findings, or the date of final determination by a court of competent jurisdiction. DWD could not include in state agency notifications the name of any person because that person let work to another person that had exceeded the grace period for reporting. These provisions would not apply to any contractor, subcontractor, or agent who, in good faith, committed a minor violation, as determined on a case-by-case basis through administrative hearings with all rights afforded to all parties, or who had not exhausted or waived all appeals.

e. Require any person that submitted a bid on a project that was subject to the apprentice provisions, on the date on which the person submitted the bid, to identify any construction business, in which the person, or shareholder of the business, or officer of the business, or partner of the business, owned or had owned at least a 25% interest, on the date the bid was submitted or at any time during the preceding three years, that had been found to have violated the report filing requirements.

DWD would be required to promulgate rules to administer these provisions.

4. GRANT TO MILWAUKEE WORKFORCE INVESTMENT BOARD

	Chg. to JFC
GPR	\$2,000,000

Provide \$2,000,000 in 2009-10 to DWD in a newly-created, biennial appropriation and require the Department to make a grant of \$2,000,000 during the 2009-11 biennium from the appropriation to the Milwaukee Area Workforce Investment Board, if, during the biennium, the City of Milwaukee provides a grant of \$1,500,000 to the Board. The appropriation would be repealed on July 1, 2011.

**TRANSPORTATION AND
PROPERTY TAX RELIEF**

TRANSPORTATION

1. OIL COMPANY PROFITS TAX

Chg. to JFC
SEG-REV - \$35,924,700

Rename the "oil company profits tax" to be an "oil company assessment." Delete the tiered structure of tax rates and, instead, establish a fixed rate of 2% on each motor vehicle fuel supplier's annual gross receipts, effective with gross receipts received beginning August 1, 2009. Require DOR to establish the initial wholesale price for the purpose of determining gross receipts under the assessment at \$1.60 per gallon for August and September, 2009. In addition, provide the Department of Revenue the authority to promulgate rules to determine the calculation methodology for establishing the wholesale price in each subsequent calendar quarter beginning after the initial rate is established. Specify that DOR could not establish a quarterly, wholesale price lower than \$1.52 per gallon or higher than \$2.24 per gallon, both net of federal and state taxes and fees. Require DOR to provide notice of the established wholesale price no later than 14 days before any adjustment to the price. Define "gross receipts" as taxable gallons multiplied by the wholesale price, as published by DOR, for the calendar quarter in which the first sale of the taxable gallons occurred. Define "taxable gallons" as the number of gallons involved in the first sale of motor fuel received by a supplier for sale in this state, for sale for export to this state, or for export to this state, but exclude gallons of biodiesel fuel, E-85, and those exempt from the state's motor fuel tax.

Delete the provision that would prohibit any person who is subject to the tax from increasing the selling price of motor vehicle fuel in order to recover the amount of the tax and associated enforcement and audit provisions. This is often referred to as an "anti-pass-through" provision.

Under the oil company assessment provision, the assessments would range from 3.2 cents per gallon to 4.4 cents per gallon, based on current price forecasts. Estimated revenues to the transportation fund associated with these provisions would be \$97,734,300 in 2009-10 and \$126,431,600 in 2010-11. Compared to the Joint Finance version of the bill, revenues associated with the assessment would be reduced by \$5,950,000 in 2009-10 and \$29,974,700 in 2010-11.

2. PETROLEUM INSPECTION FUND TRANSFER TO TRANSPORTATION FUND

	Chg. to JFC
SEG-REV	\$37,000,000
SEG-Transfer	\$37,000,000

Transfer \$10,000,000 in 2009-10 and \$27,000,000 in 2010-11 from the petroleum inspection fund to the transportation fund. The transferred funding would result from lower than estimated debt service costs to the petroleum inspection fund associated with restructuring short-term borrowing into long-term debt obligations.

Under ASA 1, the petroleum inspection fund is estimated to have a June 30, 2011, balance of \$7.9 million. This included estimated debt service for PECFA revenue obligations of \$62.0 million during the biennium. The administration has recently indicated it plans to refinance the PECFA long-term and short-term debt to defer payment of principal and attempt to obtain lower interest rates, and estimated debt service costs will decrease to approximately \$22.8 million during the biennium. The net effect of the transfer to the transportation fund and the PECFA debt refinancing would result in an estimated petroleum inspection fund balance of approximately \$10 million on June 30, 2011.

3. SOUTHEASTERN REGIONAL TRANSIT AUTHORITY

Rename the KRM Authority, as proposed in the substitute amendment, the Southeastern Regional Transit Authority (SERTA). Specify that SERTA is the only entity in Kenosha, Milwaukee, and Racine counties that could apply to the Federal Transit Administration (FTA) for federal transit funding assistance. Also, specify that the Milwaukee Transit Authority and operators of any transit system in Kenosha or Racine counties that is eligible to receive state mass transit operating assistance and develops a plan for a transit project that requires FTA approval, would be required to submit such plans and federal funding applications to SERTA, rather than directly to the FTA.

Increase the vehicle rental fee from \$16 to \$18 per rental transaction (the vehicle rental fee could continue to be indexed annually as under the substitute amendment). Specify that revenues equal to the amount derived from \$1 of the vehicle rental fee would be provided both to the City of Kenosha and the City of Racine for their respective transit systems if each city generates new funds to match the vehicle rental tax revenues. Specify that SERTA would only be allowed to provide Kenosha and Racine revenues from the vehicle rental fee if the cities have demonstrated that they have established a new funding source to produce matching funds for those revenues. Allow for revenues equivalent to up to \$2 of the vehicle rental fee to be used for SERTA administration. Specify that the remaining revenues from the vehicle rental fee could be used for costs related to the KRM commuter rail project, including the planning, engineering, construction, maintenance, and operation of the project.

Specify that no municipality within Kenosha or Racine counties, other than the cities of Kenosha and Racine, would be allowed to have a stop on the KRM commuter rail line unless the municipality provides a sustainable funding mechanism to contribute to the existing Kenosha or Racine transit systems.

Modify the appointments to the SERTA board by specifying that the Kenosha County board chair, rather than the Kenosha County Executive, would appoint the Kenosha County member to the board.

Specify that SERTA would be an eligible applicant for the southeastern Wisconsin transit capital assistance program that would be created under the substitute amendment.

Require that the KRM commuter rail project include a stop in the City of Milwaukee at the intersection of Lincoln Avenue and Bay Street.

4. MILWAUKEE TRANSIT AUTHORITY

Delete the proposed Milwaukee County Regional Transit Authority (RTA) and, instead, create a Milwaukee Transit Authority, to be governed by a board with the same members and two-year terms as specified under the substitute amendment for the Milwaukee County RTA. Specify that the Milwaukee Transit Authority would have the authority to contract with Milwaukee County to provide transit service in the county and would have all the powers necessary and convenient to do so.

Specify that Milwaukee County would not be a member of the Milwaukee Transit Authority unless the Milwaukee County board adopts a resolution by a majority vote that authorizes the County to be member of the Authority. Specify that the county board would have the authority to adopt a resolution imposing 0.5% sales and use taxes for transit service in Milwaukee County if the following apply: (a) the county board votes to become a member of the Authority; and (b) the county board contracts with the Authority to provide transit service in Milwaukee County. If it imposes the 0.5% sales and use taxes, require the Milwaukee County board to provide the Authority with the revenues from the taxes. Specify that if the taxes are imposed, the county board would not be allowed to levy property taxes for transit purposes.

Provide the Milwaukee County board the authority to adopt a resolution imposing 0.15% sales and use taxes. Require the county board to allocate revenue from the 0.15% sales and use taxes to the underlying municipalities in proportion to the number of police and fire employees within each municipality.

Specify that the bylaws of the Milwaukee Transit Authority would govern its management, operations, and administration. Specify that authority would be vested in its board of directors and that a majority of the board would constitute a quorum for the purpose of exercising its powers. Allow the board to take any action upon a majority vote of the members present and voting unless the bylaws require a larger number. Require the board of directors of the Authority to annually prepare a budget for the authority, maintain an accounting system in accordance with generally accepted accounting principles, and have its financial statements audited annually by an independent certified public accountant. Require that the revenues of the Authority shall be used only for the expenses and specific purposes of the Authority.

Specify that creation of the Authority would not limit the powers of political subdivisions to enter into intergovernmental cooperation or contracts or to establish separate legal entities. Specify that the property of the Authority would be exempt from property taxation, income received would be exempt from income taxation, and sales to the Authority would be exempt from sales taxes.

Specify that if Milwaukee County or the Milwaukee Transit Authority develops a plan for a transit project that requires Federal Transit Administration (FTA) approval, the County or the Authority would be required to submit such plans and federal funding applications to the Southeastern RTA, rather than directly to the FTA.

Specify that the Milwaukee Transit Authority would be an eligible applicant for the southeast Wisconsin transit capital assistance program that would be created under the substitute amendment.

5. CHIPPEWA VALLEY REGIONAL TRANSIT AUTHORITY

Specify that if the governing body of Eau Claire County adopts a resolution authorizing the county to become a member of the authority and the resolution is ratified by the electors at a referendum held in Eau Claire County, a Chippewa Valley Regional Transit Authority (RTA), would be created. The RTA would be public body corporate and politic and a separate governmental entity.

Specify that if the RTA is created, any municipality located in whole or in part in Eau Claire County would be a member of the RTA. After the RTA is created, Chippewa County could join the authority if the governing body of Chippewa County adopts a resolution to join the authority and the resolution is ratified by the electors at a referendum held in Chippewa County. If Chippewa County joins the authority, any municipality located in whole or in part within Chippewa County would be a member of the authority. Specify that a Chippewa County municipality must withdraw from the RTA if Chippewa County withdraws from the RTA.

Specify that the jurisdictional area of the Chippewa Valley RTA would be the territorial boundaries of Eau Claire County or, if Chippewa County also joins the authority, the combined territorial boundaries of Eau Claire County and Chippewa County.

Sales and Use Tax Authority. Once created, the authority could transact business and exercise any powers granted to it. The powers and duties allowed under the substitute amendment for the Dane County RTA would apply to the Chippewa Valley RTA, including the authority to impose up to 0.5% sales and use taxes. The Chippewa Valley RTA board would not be allowed to impose the sales and use taxes unless the authorizing resolutions and referendums of Eau Claire County to create the RTA, or Chippewa County to join the RTA, clearly identify the maximum rate of the taxes that may be imposed by the authority.

Governance. Specify that if the Chippewa Valley RTA is created, the board of directors of the authority would be determined by resolution of the governing body of Eau Claire County or, if Chippewa County also joins the authority, by resolution of the governing bodies of Eau Claire County and Chippewa County. The bylaws of the RTA would have to include the approved board composition. However, specify that the RTA board could not consist of more than 17 members and would have to include the following members;

- a. at least three members from Eau Claire County, appointed by the county executive and approved by the county board;
- b. if Chippewa County joins the RTA, at least three members from Chippewa County, appointed by the county executive and approved by the county board;

c. at least one member from the most populous city of each member county, appointed by the mayor of the city and approved by the common council; and

d. at least one member from the RTA's jurisdictional area, appointed by the Governor.

Specify that if Chippewa County joins the RTA, and the governing bodies of Eau Claire County and Chippewa County are unable to agree upon a composition of the board of directors, the board would be limited to the minimum membership described above.

Specify that the length of terms for the Chippewa Valley RTA board members would be four years, except the initial terms would be two years for the following members:

a. one of the members appointed by the Eau Claire County Executive;

b. one of the members appointed by the Chippewa County Executive, if Chippewa County joins the RTA; and

c. each member appointed by the mayors of the most populous city of each member county.

6. FOX VALLEY REGIONAL TRANSIT AUTHORITY

Specify that if the governing bodies of the Calumet, Outagamie, and Winnebago counties each adopt a resolution authorizing their county to become a member of the authority and each resolution is ratified by the electors at a referendum held in each county, a Fox Valley Regional Transit Authority (RTA), would be created. The RTA would be public body corporate and politic and a separate governmental entity.

Specify that the authority would consist of the three counties and any municipality located in whole or in part within them, but that the jurisdictional area of the Fox Valley RTA would be the combined territorial boundaries of Calumet, Outagamie, and Winnebago counties.

Sales and Use Tax Authority. Once created, the authority could transact business and exercise any powers granted to it. The powers and duties allowed under the substitute amendment for the Dane County RTA would apply to the Fox Valley RTA, including the authority to impose up to 0.5% sales and use taxes. The Fox Valley RTA board would not be allowed to impose the sales and use taxes unless the authorizing resolutions and referendums in each county to create the RTA clearly identify the maximum rate of the taxes that may be imposed by the authority.

Governance. Specify that if the Fox Valley RTA is created, the board of directors of the authority would be determined by resolution of the governing body of each county. The bylaws of the RTA would have to include the approved board composition. However, specify that the RTA board could not consist of more than 17 members and would have to include the following members;

- a. at least two members from each county, appointed by the county executive and approved by the county board of each county;
- b. at least two members from the City of Appleton, appointed by the mayor of the city and approved by the common council; and
- c. at least one member from the RTA's jurisdictional area, appointed by the Governor.

Specify that if county governing bodies of the counties are unable to agree upon a composition of the board of directors, the board would be limited to the minimum membership described above. Specify that the length of terms for the Fox Valley RTA board members would be four years, except the initial terms would be two years for the following members: (a) one of the members appointed by the county executives of each county; and (b) one of the members appointed by the Mayor of the City of Appleton.

7. DANE COUNTY REGIONAL TRANSIT AUTHORITY - - HIGHWAY PROJECTS

Specify that the Dane County Regional Transit Authority (RTA) could transfer revenues from the sales and use taxes imposed by the RTA to any political subdivision within the RTA's jurisdictional area to fund highway projects within that area. Require the RTA board to determine the recipients and amounts of all such transfers.

Under the substitute amendment, the Dane County RTA's authority and sales and use tax revenues would be limited to transit-related activities. This provision would allow some of those revenues to be used for highway purposes within the RTA's jurisdictional area.

8. TRANSIT AUTHORITY AND REGIONAL TRANSIT AUTHORITY EMPLOYEES

Specify that transit authorities and regional transit authorities would be considered a local units of government that would be covered under the municipal employee relations statutes, which govern the collective bargaining actions between employers and employees.

9. FREIGHT RAIL PRESERVATION PROGRAM REPORT

Amend a provision of the substitute amendment that would require DOT to submit a report on the freight rail preservation program to require the Department to allow and consider public comment on each of the 10-year funding scenarios discussed in the report.

10. FEASIBILITY STUDY FOR PASSENGER RAIL STOP IN WATERLOO

Require DOT to conduct a study of the feasibility of including a stop in the City of Waterloo in Jefferson County, if the Department considers a high-speed passenger rail route between Milwaukee and Madison.

11. GRANT FOR EISNER AVENUE PROJECT IN SHEBOYGAN COUNTY

Require DOT to award a grant of \$500,000 from the local roads improvement program for discretionary grants in the 2009-11 biennium to the City of Sheboygan for the rehabilitation of Eisner Avenue in Sheboygan County if the City of Sheboygan and Town of Sheboygan reach an agreement on the payment of the local match for the project. Require the grant to be split equally between the discretionary program for municipalities and the discretionary program for towns. Specify that this grant shall be made notwithstanding program criteria for awarding grants and shall be in addition to the City of Sheboygan's entitlement under the entitlement component of the program.

12. GRANT FOR RAILROAD CROSSING IMPROVEMENTS TO TOWN OF STOCKTON IN PORTAGE COUNTY

Require DOT to award a grant of \$175,000 in the 2009-11 biennium to the Town of Stockton in Portage County for railroad crossing improvements at the intersection of Old Highway 18 and the Canadian National Railroad tracks from the appropriation for railroad crossing improvement installation.

13. GRANT FOR DOUGLAS COUNTY FOR BICYCLE LANES ON CTH B

Require DOT to provide a grant from the transportation enhancements program to Douglas County for the construction of bike lanes along CTH B in the 2009-11 biennium. Specify that the grant shall be \$400,000 or 80% of the cost of the additional lanes, whichever is less. Specify that DOT may not rescind the grant unless the County notifies the Department that it no longer intends to go forward with the project.

14. ELIMINATE PROHIBITION AGAINST PARTICIPATING ON DESIGN-BUILD CONTRACTING FOR BRIDGE PROJECTS

Eliminate a provision of the substitute amendment that would prohibit DOT from providing any funding for a bridge project that crosses a river forming a boundary of the state if the contract for the project is awarded using a design-build procurement process.

15. ELIMINATE CHANGES TO DRIVER'S LICENSE SUSPENSION FOR FAILURE TO PAY A TRAFFIC JUDGMENT

Eliminate a provision of the substitute amendment that would reduce the maximum period of driver's license suspension for the failure to pay a traffic violation forfeiture from two years to 90 days.

16. RESTORE FUNDING FOR STATE PATROL POSTS IN SPOONER AND TOMAH

	Chg. to JFC
SEG	\$248,400

Provide \$85,300 in 2009-10 and \$163,100 in 2010-11 to restore funding associated with the State Patrol posts in Spooner and Tomah.

17. DOT COLLABORATION WITH DNR ON TOMAH FACILITIES

Require DOT, during the 2009-11 biennium, to consult with DNR concerning the shared use of administrative facilities used by the State Patrol and the Department of Natural Resources in or near the City of Tomah.

SHARED REVENUE AND TAX RELIEF

1. COUNTY AND MUNICIPAL AID FUNDING FROM THE POLICE AND FIRE PROTECTION FUND

Modify the Joint Finance recommendations regarding funding for the county and municipal aid program from the police and fire protection fund as follows: (a) delete provisions transferring the balance in the police and fire protection fund to the general fund in 2009-10 and 2010-11; and (b) create a SEG appropriation to distribute amounts in the police and fire protection fund as payments to counties and municipalities under the county and municipal aid program. Modify the existing GPR, sum sufficient appropriation for the county and municipal aid program to specify that amounts paid from the appropriation are net of amounts paid from the newly-created SEG appropriation. Estimate the distributions from the newly created SEG appropriation at \$41,233,400 in 2009-10 and \$61,033,400 in 2010-11, and reduce estimated payments from the county and municipal aid program's existing GPR appropriation by \$41,233,400 in 2009-10 and \$61,033,400 in 2010-11.

	Chg. to JFC
GPR-REV	-\$102,266,800
GPR	- 102,266,800
SEG-Transfer	- 102,266,800
SEG	102,266,800

2. EXPENDITURE RESTRAINT PROGRAM BUDGET TEST

Exclude police and fire expenditures from the expenditure restraint program's budget test if those expenditures are funded from a municipality's general fund balance.

3. HOMESTEAD TAX CREDIT FORMULA CHANGES

Index the homestead tax credit maximum income level, maximum property tax amount, and income threshold formula factors by the change in the 12-month average of the CPI for August through July of the prior year over the 12-month average of the CPI for August, 2007, through July, 2008, rounding each factor to the nearest \$10. Specify that the adjustments could only occur if the percentage change in the CPI is a positive number. Specify that these factors would first be indexed for calendar year 2010.

The substitute amendment would index only the maximum income factor of the credit formula. Under this provision, all three formula factors would be indexed annually if the indexing results in a positive change in the factors. Because the indexing calculation would result in a negative number, no change is expected to the formula factors or to the estimated cost of the credit for tax years 2010 and 2011.

4. DELETE PROPERTY TAX EXEMPTION FOR CERTAIN TYPES OF HOUSING

Delete the Joint Finance recommendation modifying the current law provision exempting property of religious, educational, and benevolent associations from the property tax and creating property tax exemptions for low-income housing, housing projects financed by the Wisconsin Housing and Economic Development Authority, and retirement homes for the aged.

5. PROPERTY TAX EXEMPTION FOR STUDENT HOUSING

Create a property tax exemption for all real and personal property of a housing facility if: (a) the facility is owned by a nonprofit organization; (b) at least 90% of the facility's residents are students enrolled at a public or private institution of higher education and the facility houses no more than 300 such students; and (c) the facility offers support services and outreach programs to its residents, the public or private institution of higher education at which the student residents are enrolled, and the public. Specify that if a nonprofit organization owns more than one housing facility, the exemption applies to only one facility at one location. Provide that leasing a part of the property does not render the property taxable if the lessor uses the leasehold income for maintenance of the leased property, construction debt retirement of the leased property, or for purposes which are the basis for the nonprofit organization's exempt status under the Internal Revenue Code. Extend these provisions to property tax assessments as of January 1, 2010.

GENERAL PROVISIONS

1. REGULATION OF FIREWORKS

Delete the Joint Finance recommendation modifying current law provisions regarding the regulation of fireworks.