

GENERAL GOVERNMENT

ADMINISTRATION

1. FUNDING FOR OPERATION FRESH START REPLICATION PROJECTS

Assembly: Modify Joint Finance provision by deleting \$92,000 annually of the amounts reserved in the Committee's appropriation for Operation Fresh Start replication projects and transferring the remaining balance (\$140,000 annually) from the Committee's appropriation to DOA's grants to local housing organizations appropriation. This would provide funding for four Operation Fresh Start replication projects annually, based on the current level of firm funding commitments to the program from other sources.

Senate/Conference Committee: No change to Joint Finance.

2. STATE AGENCY MEMBERSHIP DUES

Assembly/Conference Committee: Include a session law provision to require the Secretary of DOA to lapse to the general fund or the respective program revenue account or segregated fund in 1999-00 and in 2000-01 from each state agency an amount equal to 10% of the amounts expended in 1998-99 by each agency for the costs of membership dues in national and state organizations, excluding federal funds. Provide that these amounts shall be lapsed from the respective agency appropriations from which the membership dues were paid. It is estimated that this provision will result in lapses totaling \$460,800 annually, composed of GPR lapses of \$187,200 annually, PR lapses of \$179,400 annually and SEG lapses of \$94,200 annually.

	Chg. to JFC
GPR-Lapse	\$374,400
PR-Lapse	358,800
SEG-Lapse	<u>188,400</u>
Total	\$921,600

Senate: No change to Joint Finance.

3. VEHICLE FLEET PURCHASES

Assembly/Conference Committee: Delete \$749,300 in 1999-00 and \$765,400 in 2000-01 related to the purchase of replacement and additional vehicles for the DOA-operated state fleet. Of the amounts deleted, \$513,900 in 1999-00 and \$539,500 in 2000-01 is associated with savings from the purchase 300 four-cylinder sedans and station wagons instead of six-cylinder sedans and station wagons. The remaining reduction of \$235,400 in 1999-00 and \$225,900 in 2000-01 is associated with the deletion of funds for the purchase of 34 additional vehicles that were to be assigned to DHFS and Commerce.

	Chg. to JFC
GPR-Lapse	\$230,000
PR	- \$1,514,700

Also, include a session law provision to require the Secretary of DOA to lapse to the general fund a total of \$230,000, not later than June 30, 2001, to reflect estimated savings generated from lower rates charged for lower cost vehicles purchased. The Secretary of DOA is directed to determine the savings from the fleet operations of DOA, DOT, DNR and UW-Madison and lapse the requisite amounts, equal to a total of \$230,000, from each of these agency's fleet operations appropriations.

Senate: No change to Joint Finance.

4. FLEET CONSOLIDATION

Assembly/Conference Committee: Delete the Joint Finance provisions which would have: (a) directed DOA to conduct a study of the possible consolidation of the separate DOA, DNR and UW-Madison fleets or other changes in fleet operations; and (b) required DOA to submit the results of the study, including estimates of possible savings from consolidation, and suggested language to the Joint Committee on Finance upon completion of the study. In addition, a session law requirement would have been included to require the UW-Board of Regents to direct the UW-Madison administration to cooperate with DOA on this study.

Instead, restore the Governor's recommendation which would create session law language to require the Department to submit to the Co-chairs of Joint Finance Committee, for approval by the Committee, two implementation plans for consolidating certain state vehicle fleet management activities. Provide that the first implementation plan would be due at the fourth quarterly meeting in CY 1999 of the Committee under section 13.10, and would be for the consolidation of DNR vehicle fleet activities with corresponding DOA activities. Provide that the second implementation plan would be due at the third quarterly s. 13.10 Committee meeting in CY 2000 and would be for the consolidation of the DOT and UW-Madison vehicle fleet management activities with corresponding DOA activities. Create session law language specifying that JFC may disapprove, approve with modification, or approve one or both plans and that if approved, DOA is authorized to implement the plans on the date specified in the plans.

Provide that the respective plans could include provisions for DNR, DOT and/or the UW-Madison relating to vehicle fleet management functions for any of the following on the effective date specified in the plan:

- a. the transfer of all assets and liabilities from the respective agency to DOA;
- b. the transfer of all tangible personal property, including records from the respective agency to DOA;
- c. the transfer of all contracts of the agency from the respective agency to DOA with the provision that contracts that were in effect on the effective date of the bill would remain in

effect until their specified expiration date or until they were rescinded or modified by DOA to the extent allowed in the contract;

d. the transfer of all rules promulgated and orders issued by agency that were in effect on the effective date of the plan to DOA with the provision that they would remain in effect until their specified expiration date or until they were amended or repealed by DOA;

e. the transfer of all pending matters and all materials submitted to the agency to DOA with the specification that all materials submitted to or actions taken by the respective agency concerning the pending matter would be considered as having been submitted to or been taken by DOA;

f. the transfer of any FTE positions of the agencies relating to its vehicle fleet management functions from the related agency to DOA, with an identification of the numbers, revenue sources and types of the positions to be transferred; and

g. the transfer to DOA of any incumbent employes holding those positions with the specification that any employes transferred would retain all employment rights and status they held prior to the transfer and that no transferred employe who had attained permanent status in the classified service would be required to serve a new probationary period.

Require that DNR, DOT and the UW Board of Regents to submit, as a part of their 2001-03 biennial budget request, information reflecting any savings incurred from any consolidation of vehicle fleet management functions approved under these provisions. Finally, direct that these agencies fully cooperate with DOA in implementing any plan approved by the Joint Committee of Finance.

Senate: No change to Joint Finance.

5. MILITARY MUSIC FOUNDATION GRANT

Assembly/Conference Committee: Provide one-time funding of \$85,300 in 1999-00 to the Heritage Military Music Foundation for a building improvement grant for its building in Watertown. The improvements would be to install adequate security and fire protection equipment for the building. The Heritage Military Music Foundation would be authorized to request DOA's review of the building improvement estimate, and upon approval, the Department would make the grant for the improvement. A new appropriation would be created and funded from the capital planning and building construction services appropriation and the appropriation would be repealed on July 1, 2001. The revenues for the new appropriation would be derived from a transfer of \$85,300 in 1999-00 from the total amount appropriated in 1999-00 for Division of Facilities Management (DFM) general operations appropriation. Revenues for this appropriation come from assessments on state agencies for the cost of DFM provision of building construction and capital planning services.

	Chg. to JFC
PR	\$85,300

Senate: No change to Joint Finance.

6. SALE OF STATE-OWNED WATER TREATMENT FACILITIES

Assembly: Authorize DOA to sell any state-owned water purification or wastewater treatment plant if the Department determines that the sale is appropriate. Provide that such sales may be on the basis of public bids, with DOA retaining the right to reject any bids, or on the basis of negotiated prices.

Require that, when a facility is sold, the Department deposit the net proceeds in the fund or funds from which the acquisition, construction or repair of a plant was financed, or was to be financed had the state retained ownership, except that, if there is any outstanding public debt associated with the acquisition, construction or repair of the plant, DOA shall first deposit a sufficient amount of the net proceeds into the Building Commission's bond security and redemption fund to repay the principal and interest on the remaining debt, and any premium due upon refunding of the debt.

Also, create a session law requirement for DOA to conduct a study of the feasibility and desirability of selling, leasing or forming public-private partnerships to operate the water purification and wastewater treatment plants owned by the state. Require that the report include options available to the state with respect to such sale, leasing or operational agreements and direct that the study be submitted to the Legislature no later than December 31, 2000.

Senate: No change to Joint Finance.

Conference Committee: Provide only for a session law requirement for DOA to study the feasibility and desirability of selling, leasing or forming public-private partnerships to operate the water purification and wastewater treatment plants owned by the state. Require that the report include options available to the state with respect to such sale, leasing or operational agreements and direct that the study be submitted to the Legislature on later than December 31, 2000.

7. INFORMATION TECHNOLOGY -- SMALL AGENCY INTERNET SUPPORT

Assembly/Conference Committee: No change to Joint Finance.

Senate: Under the Joint Finance provision, an additional PR permanent position to provide staff support to small agencies relative to internet activities was approved. This provision would retain the Joint Finance recommendation and would in addition delete 1.0 existing vacant information technology specialist network consultant position and reduce funding by \$63,500 annually.

8. DIVISION OF INFORMATION TECHNOLOGY SERVICES APPROPRIATION

Assembly/Conference Committee: No change to Joint Finance.

Senate: Convert the current general operations PR appropriation for the Division of Information Technology Services (DITS) from a continuing to an annual appropriation. Under an annual appropriation, an agency may expend up to the maximum amount appropriated. In contrast, under a continuing PR appropriation, the dollar amounts in the appropriations schedule are only estimates of the amount of funds that the agency expects to spend for these purposes and DITS may expend as much as the accumulated revenue in the appropriation level will allow.

9. INFORMATION ON THE TRANSFER OF CERTAIN LAND RIGHTS

Assembly: No change to Joint Finance.

Senate/Conference Committee: Modify Joint Finance provision that would have directed the Wisconsin Land Council, by January 1, 2000, to develop and distribute a form designed to capture information with respect to the conveyance of a "nonpossessory interest" in a land holding by deleting the requirements that the form: (a) be in triplicate; (b) be sent to DNR, DOR and to the appropriate county register of deeds; and (c) be recorded with the register of deeds of the county in which the transaction is recorded. Specify instead that for a transaction involving a nonpossessory interest completed after June 30, 2000, any person who is a party to a transaction, as a purchaser or purchaser's agent or as a seller or seller's agent, must prepare and sign the form and send a copy to the Land Council. Newly require the Land Council to create and maintain a directory of the forms.

Also, delete the Joint Finance requirements that the form contain the following items of information: (a) the classification of the subject property for assessment purposes; (b) the amount paid by the purchaser for the land rights; and (c) the source of any public funds that were used in the conveyance of the land rights. Under these modifications the form would still contain the following information: (a) the name and address of each party involved in the transaction; (b) the date of the transaction; (c) the approximate size of the parcel to which the land rights relate; and (d) the approximate total size of the parcel to which the land rights constitute a portion.

Further, delete the Joint Finance requirements that: (a) if public funds have been used to support the conveyance of a land right to a not-for-profit organization, the amount involved in the transaction would not be deemed to be confidential under s. 77.265 of the statutes and would be available to the public; and (b) the Land Council post the form on the Internet when a site for a statewide computerized land information system is created and makes such a posting possible. All of these modifications and new provisions would apply through August 31, 2003, at which time the Land Council and associated statutory provisions sunset under current law.

10. PAYMENT OF REMAINING WISCONSIN SESQUICENTENNIAL COMMISSION EXPENSES

Assembly/Conference Committee: Create a new SEG-funded continuing appropriation under DOA to be funded from residual Wisconsin Sesquicentennial Commission monies from gifts, donations and royalties that have been transferred to the historical legacy trust fund since October 1, 1998. Provide that the appropriation would be used for the payment of any Commission obligations that remain unpaid as of the effective date of the biennial budget act. Include a nonstatutory provision authorizing the Secretary of DOA to make appropriate adjustments to the amounts required to be transferred under current law from residual Commission balances to the transportation fund, if the Commission received more than a total of \$4,150,000 from license plate revenues. This provision would result in the transfer of an additional \$83,300 from the historical legacy trust fund to the transportation fund in 1999-00. [Under current law, the amounts received in excess of \$4,150,000 must be returned to the transportation fund from the historical legacy trust fund.] It is estimated that unpaid Commission obligations (primarily unpaid grant awards) will total approximately \$393,000.

Senate: No change to Joint Finance.

BOARD OF COMMISSIONERS OF PUBLIC LANDS

1. INFORMATION TECHNOLOGY POSITION

Assembly: No change to Joint Finance.

Senate/Conference Committee: Authorize 1.0 information technology position for IT system development and administration. Increase the salary and fringe benefits component of the Board's appropriation by \$43,600 in 1999-00 and by \$50,400 in 2000-01 and make an offsetting reduction of \$47,000 annually provided in the supplies and services component of the Board's appropriation to delete funds budgeted for general IT support consultant services to perform these same system development and administration functions. The net fiscal effect is zero.

	Chg. to JFC
PR	1.00

2. REVISED INVESTMENT AUTHORITY FOR CERTAIN BOARD INVESTMENTS

Assembly: No change to Joint Finance.

Senate/Conference Committee: Newly specify that if the Board of Commissioners of Public Lands (BCPL) acts to delegate the investment of the assets of the Common School Fund, Normal School Fund, University Fund and Agricultural College Funds to the Investment Board, the Investment Board could invest those assets in any manner authorized for the investment of any of the types of funds under the control of the Investment Board. Delete a current statutory limitation that these trust fund assets are controlled and invested only by BCPL, and instead specifically authorize the delegation of investment of the assets of each fund to the Investment Board. Under this modification, these trust fund assets could be invested by the Investment Board for the first time in such investment vehicles as equities, publicly and privately placed mortgage-backed or asset-backed securities or real estate, consistent with the Investment Board's current standard of responsibility for managing investments.

Require the Executive Director of the Investment Board to assign an investment professional to assist the BCPL in establishing and maintaining its investment objectives and specifically authorize the deduction of the costs of such services from the gross receipts of the fund to which the monies invested belong. Further, specify that if BCPL delegates investment authority to the Investment Board, the latter would be directed to deduct its investment management expenses from the gross receipts of the BCPL funds to which the interest and income of the investment will be added. Clarify that the Investment Board would credit all of these investment management expense payments for BCPL investments to the Investment Board's general program operations appropriation account.

Currently, the BCPL is authorized to invest trust fund assets only in a limited number of statutorily defined investment vehicles such as bonds and notes issue by the federal government and bonds issued by the state and local units of government. BCPL does not have the authority to invest in equities, publicly and privately places mortgage-backed or asset-backed securities or real estate.

Under current practice, BCPL has delegated a portion of its assets to the Investment Board for investment in the state investment fund (SIF). The SIF is invested in obligations of the U. S. government and its agencies and in high quality commercial bank and corporate debt obligations.

3. INFORMATION TECHNOLOGY INITIATIVES

Conference Committee: Modify Joint Finance provision to delete \$128,200 PR in 1999-00 and \$148,900 PR in 2000-01 from the Joint Committee on Finance's PR supplemental appropriation account reserved for IT initiatives of the Board and instead provide those monies to the Board's general program operations appropriation. The provision in the budget of these

funds would enable the Board to begin the immediate implementation of its proposed graphical user interface and imaging systems enhancement projects.

BUDGET AND COMPENSATION RESERVES

1. REQUIRED GENERAL FUND STATUTORY BALANCE

Assembly: Delete the Governor and Joint Finance provision which would have increased the general fund statutory balance from the current 1% of gross general fund appropriations plus compensation reserves in each fiscal year of a biennium to 2.0% in fiscal year 2005-06 (and thereafter) according to the following schedule:

<u>Fiscal Year</u>	<u>Statutory Reserve Percentage</u>
2000-01	1.1%
2001-02	1.2
2002-03	1.4
2003-04	1.6
2004-05	1.8
2005-06 (and thereafter)	2.0

Senate/Conference Committee: Delete the Governor and Joint Finance provision which would have increased the general fund statutory balance from the current 1% of gross general fund appropriations plus compensation reserves in each fiscal year of a biennium to 2.0% in fiscal year 2005-06 (and thereafter) according to the following schedule:

Chg. to JFC
1999-01 GPR Balance -\$11,042,900

<u>Fiscal Year</u>	<u>Statutory Reserve Percent</u>
2000-01	1.1%
2001-02	1.2
2002-03	1.4
2003-04	1.6
2004-05	1.8
2005-06 (and thereafter)	2.0

Instead, provide that the general fund statutory balance requirement would increase from the current 1% reserve requirement according to the following schedule:

<u>Fiscal Year</u>	<u>Statutory Reserve Percent</u>
2001-02	1.2%
2002-03	1.4
2003-04	1.6
2004-05	1.8
2005-06 (and thereafter)	2.0

2. COMPENSATION RESERVES

Conference Committee: Modify the Joint Finance provision by adding, in the 1999-01 general fund condition statement, funding of \$12,000,000 GPR in 1999-00 and \$23,000,000 GPR in 2000-01 for costs associated with state employe salary and fringe benefit increases.

ELECTIONS BOARD

1. WISCONSIN ELECTION CAMPAIGN FUND SUPPLEMENT

Assembly: Delete the Joint Finance provision which placed \$750,000 in 2000-01 in the Joint Finance Committee's GPR supplemental appropriation for financing increased Wisconsin Election Campaign Fund (WECF) costs associated with separate campaign finance reform legislation. Also, repeal the legislative account supplement appropriation recommended by the Governor and reference to that appropriation under the WECF. The \$750,000 GPR was originally recommended by the Governor for supplemental grant funding for the legislative campaign account of the WECF.

Senate: No change to Joint Finance.

Conference Committee: Modify the Joint Finance provision by providing an additional \$120,000 GPR, for a total of \$870,000 GPR, in the Joint Finance Committee's GPR supplemental appropriation in

Chg. to JFC	
GPR	\$120,000

2000-01 to finance increased Wisconsin Election Campaign Fund (WECF) costs associated with separate campaign finance reform legislation. Also, include a technical change to delete the legislative account supplement appropriation as originally proposed by the Governor and reference to that appropriation under the WECF.

2. WISCONSIN ELECTION CAMPAIGN FUND TAX-FILER DESIGNATIONS

Assembly: Amend current law regarding the tax-filer designations for the WECF to provide that any such designation by a tax-filer will increase the tax-filer's liability by increasing the taxes owed or reducing the tax refund due. Under current law, if a tax-filer designates \$1 (\$2 for joint returns) for the WECF, there is no impact on the tax-filer's liability and the amounts of the designations are transferred to the WECF from general tax revenues (i.e., they are tax expenditures). Under this provision, each taxpayer's liability would be increased by a designation to the WECF, but the amount of designations would continue to be transferred as a GPR appropriation to the WECF. This provision would first take effect for CY 1999 personal income taxes filed by April 15, 2000.

It is estimated that increasing tax-filers' liability will decrease the number of designations, resulting in a decrease in the estimated amount of designations to the WECF for 2000-01 from the currently estimated \$310,000 to \$42,600. However, this change would result in a net gain to the general fund of \$310,000 in 2000-01 because, under the proposal, any designation is additional revenue to the state that would otherwise not be collected. In addition, expenditures for WECF grants would be reduced by an estimated \$229,000 SEG in 2000-01 because the estimated fewer designations would result in less funding being available for WECF grants.

Senate/Conference Committee: No change to Joint Finance.

3. TIMING OF LOCAL REFERENDA

Assembly: Provide that a referendum by any local government may only be held concurrently with regularly scheduled elections or on the first Tuesday after the first Monday of November of an odd-numbered year (no regular election is currently held on that date), unless a more restrictive limitation already currently applies. The regular scheduled elections are the spring primary, the spring election, the September primary or the general election. Under current law, referenda are authorized or required to be held by local governments at various times, including at special elections when no other offices appear on the ballot. Also provide that, unless otherwise required by law, no referendum submitted by the same local government relating to substantially similar subject matter or relating to authorization for the borrowing of money may be held more than once in any 12-month period. Provide that these provisions would be first effective with respect to referenda called on the effective date of the budget bill.

In addition, create a Referendum Appeal Board that would be administratively attached to the State Elections Board. Membership of the Board would consist of the Governor, Senate

Majority Leader, Senate Minority Leader, Speaker of the Assembly, and the Assembly Minority Leader or their designees. Members of the Board would serve for indefinite terms. Provide that a local governmental unit may petition the Board for a determination that an emergency exists with respect to a particular referendum question and that a special referendum election is necessary. Upon approval of such a petition by at least four of the five members of the Board, the petitioning unit could hold the special election.

Senate/Conference Committee: No change to Joint Finance.

4. CLAIMS PAYMENT

Assembly/Conference Committee: Require the payment of \$2,087 GPR from the Elections Board's general program operations appropriation to Winnebago County for a claim against the state for the reimbursement of certain costs incurred by that county for ballots that the Elections Board had determined did not comply with state law. Further, provide that acceptance of this payment by the Winnebago County would release the state and its officers, employes and agents from any further liability with respect to the county's cost associated with reprinting of the defective ballots for the 1988 general election. Winnebago County incurred these costs when it had to reprint the 1998 general election ballots for the City of Neenah because the Elections Board found that the original the ballots did not conform to state law.

Senate: No change to Joint Finance.

5. INCREASED PHOTOCOPIER LEASE COSTS

Assembly: No change to Joint Finance.

Senate/Conference Committee: Provide \$6,000 annually for the cost of leasing a new photocopier. This requested funding was included in the agency's budget request but was not included in the Governor's or Joint Finance Committee's recommendations.

	Chg. to JFC
GPR	\$12,000

EMPLOYEE TRUST FUNDS

1. LONG-TERM CARE INSURANCE COVERAGE ON A SELF-INSURED BASIS

Assembly/Senate/Conference Committee: Delete the Joint Finance provision which would have repealed the current law limitation that prohibits the Group Insurance Board (GIB) from offering long-term care insurance, as currently authorized under s. 40.55 of the statutes, on a self-insured basis.

Under current law, the GIB offers an optional long-term care insurance coverage program to state employes and annuitants and the spouses or parents (including spouse's parents) of such individuals. The insurance coverage provided under this program is for short-term and long-term home health care, assisted living arrangements, community-based care and nursing home care for the insured individuals. There is no state contribution to the premiums for this coverage; the enrollee pays the entire premium cost.

Currently, coverage under the program may only be offered through policies issued by insurers under contract with the GIB (since current law also prohibits the GIB from offering this type of insurance coverage on a self-insured basis). The policies offered by the insurers must also have been approved for offering by the Commissioner of Insurance.

2. PROHIBITION ON CERTAIN INSURANCE COVERAGE FOR UNRELATED INDIVIDUALS

Assembly: Prohibit the Group Insurance Board (GIB) from promulgating an administrative rule that includes within the definition of "dependent" for group health insurance coverage purposes any adult who resides with a state employe but is not related to the state employe or employe's spouse by blood, marriage or adoption. Also, prohibit the state from providing long-term care insurance coverage to any adult who resides with a state employe but is not related to the state employe or employe's spouse by blood, marriage or adoption. Specify that the state, as employer, would be prohibited from bargaining any changes to these prohibitions. Stipulate that these prohibitions would first apply to any state collective bargaining agreement that contains provisions that are inconsistent with this treatment, on the day the agreement expires or is extended, modified or renewed, whichever occurs first.

Under current law, the GIB must provide family coverage options under its group health insurance offerings. A dependent for the purpose of family coverage is currently defined as a spouse, minor child and certain stepchildren. The GIB has the authority to promulgate rules

establishing other definitions of "dependent" but has not done so. Current law allows the GIB to make long-term care insurance coverage available only to a state employe, a state WRS annuitant or his or her spouse or parent.

Senate/Conference Committee: No change to Joint Finance.

3. STATE CONTRIBUTION FOR UW FACULTY GROUP HEALTH INSURANCE PREMIUMS

Assembly: No change to Joint Finance.

Senate/Conference Committee: Provide that any teacher who is a WRS participating employe of the University of Wisconsin System for an expected duration of not less than six months and on at least a one-third full-time employment basis would be eligible for the state's contribution towards group health insurance coverage immediately upon hiring. Under current law, a "teacher" would include any unclassified employe at the University engaged in instructing or controlling students or in administering, directing, organizing or supervising any educational activity. The University would apply this provision to all faculty and academic staff at the UW.

Stipulate that these provisions would not apply to those visiting or contract teachers who do not actually become participants under the WRS during their employment. These individuals would be eligible for group health insurance coverage but would not be eligible for any state contribution towards the premium costs.

Specify that these provisions would first apply to those WRS participants hired on and after the general effective date of the biennial budget act who are either University of Wisconsin faculty or academic staff.

Prohibit the UW Board of Regents from seeking a fringe benefits supplementation under s. 20.928(1) of the statutes for any additional employer-paid health insurance premium contribution costs incurred under this provision. As a result, the UW System would be required to fund the additional costs of this provision from base level resources. It is estimated that these additional health insurance premium contribution costs would amount to \$3,992,400 (all funds) annually.

4. DELETE PROTECTIVE SERVICE STATUS DESIGNATION FOR DIVISION OF STATE PATROL ADMINISTRATOR

Assembly: Delete the Governor and Joint Finance provision which would newly designate as a protective occupation participant under the WRS the Administrator of the Division of State Patrol in DOT, provided the Administrator is also certified as a law

enforcement officer by the Law Enforcement Standards Board. Delete the retitling of all state patrol members as "state traffic patrol" participants under the WRS.

Senate: Delete the Governor and Joint Finance provision which would newly designate as a protective occupation participant under the WRS the Administrator of the Division of State Patrol in DOT, provided the Administrator is also certified as a law enforcement officer by the Law Enforcement Standards Board. Delete both the retitling of all state patrol members as "state traffic patrol" participants under the WRS and the creation of new language specifying that the state traffic patrol would also consist of the Division Administrator.

Conference Committee: Retain Governor and Joint Finance provision which would newly designate as a protective occupation participant under the WRS the Administrator of the Division of State Patrol in DOT, provided the Administrator is also certified as a law enforcement officer by the Law Enforcement Standards Board. Also, restore both the retitling of all state patrol members as "state traffic patrol" participants under the WRS and the creation of new language specifying that the state traffic patrol would also consist of the Division Administrator.

5. GRANTING WRS CREDITABLE SERVICE TO CERTAIN DISTRICT ATTORNEY EMPLOYEES IN MILWAUKEE COUNTY

Assembly: Delete Joint Finance provision that would: (a) authorize additional creditable service under the WRS for certain Milwaukee County assistant district attorneys who: (1) transferred from county service to state service in 1990; (2) were not vested in the Milwaukee County Employees Retirement System at the time of that transfer; and (3) remain as state employes on the general effective date of the biennial budget act; (b) direct that the additional state prior service liability created by this provision be added to the liabilities of DOA; and (c) require DOA to annually pay to the WRS an amount sufficient to amortize this additional liability plus interest.

Senate/Conference Committee: No change to Joint Finance.

6. PARTICIPATION OF FAMILY CARE DISTRICT EMPLOYEES IN THE WISCONSIN RETIREMENT SYSTEM

Assembly: Delete Joint Finance provision that would include employes of family care districts from participation in the Wisconsin Retirement System, including disability coverage, local group health insurance, state deferred compensation program and state income continuation program.

Senate/Conference Committee: No change to Joint Finance.

7. RETIREMENT BENEFIT IMPROVEMENT ADMINISTRATIVE COSTS

Conference Committee: Create a new biennial appropriation funded at \$1,575,700 in 1999-00 and \$584,100 in 2000-01 and authorize 19.0 FTE project positions (to end on June 30, 2001) to provide increased staff and funding for the implementation of WRS benefit improvements. Specify that the new appropriation would be repealed, effective July 1, 2001.

Chg. to JFC Funding Positions		
SEG	\$2,159,800	19.0

8. ADDITIONAL IMAGING PROJECT FUNDING

Conference Committee: Provide increased funding of \$405,700 in 1999-00 and \$150,900 in 2000-01 to enable ETF to: (a) complete the optical imaging of WRS participant, employer and annuitant records (one-time funding of \$300,000 in 1999-00); and (b) convert and maintain currently imaged files from optical disk to direct disk technology (ongoing funding of \$105,700 in 1999-00 and \$150,900 in 2000-01).

Chg. to JFC	
SEG	\$556,600

EMPLOYMENT RELATIONS

1. MODIFICATIONS OF TRAINING FUNCTIONS

Assembly/Conference Committee: Modify Joint Finance provision by restoring DER's general employment development and training appropriation and providing an additional \$106,800 in 1999-00 and \$112,300 in 2000-01 and authorizing 0.5 training officer position. Delete Joint Finance language and instead modify current law to: (a) specify that DER may provide employe development and training program relating to functions under state employment relations and state collective bargaining laws; (b) delete current law requirement for DER approval of any agency training program including basic supervisory training; and (c) repeal current authorization for DER to provide training to local units of government. Net reductions to the agency's base level funding for training activities (-\$110,400 in 1999-00 and -\$115,200 in 2000-01), would represent the elimination of DER's involvement in the provision of any vendor-provided employe training courses.

Chg. to JFC Funding Positions		
PR	\$219,100	0.50

Senate: Modify Joint Finance provision by restoring \$217,200 in 1999-00 and \$227,500 in 2000-01 and 1.0 training officer position under DER and deleting Joint Finance provisions that

would have repealed DER's current state employe training functions and responsibilities as they are specified under s. 230.046 of the statutes except for the Department's general authority to: (a) establish internships to encourage the employment of qualified individuals; (b) establish tuition refund programs to encourage job-related educational development; and (c) operate programs designed to encourage the employment of "Wisconsin Works" participants in state government service.

Also, delete Joint Finance provisions that would have: (a) revised the statutory purpose of the current employe development and training appropriation to provide that it would support only the current state employment options program; and (b) required state agencies to provide supervisory training to newly appointed supervisors and to also provide any other training determined to be required for any of their employes.

The effect of this provision is to retain the entire DER training function as it currently exists and to restore the Governor's original funding recommendation for DER's training program function.

EMPLOYMENT RELATIONS COMMISSION

1. BARGAINING ON SCHOOL DISTRICT CALENDAR

Assembly: Provide that no school district employer would be required to bargain collectively on matters relating to the establishment of a school year calendar. Specify that this provision would not be construed to eliminate the duty of the employer to bargain collectively with its represented employes with respect to: (a) the total number of days of work and the number of those days which are allocated to different purposes such as the days on which school is taught, in-service days, staff preparation days, convention days, paid holidays and parent-teacher conference days; and (b) the impact of the school calendar on wages, hours and conditions of employment. Repeal a duplicative current law school district governance provision establishing a school board duty to bargain collectively over any calendaring proposal which is primarily related to wages, hours and conditions of employment. Specify that these provisions would first apply to collective bargaining agreements that expire or are extended or are modified or renewed on and after the general effective date of the biennial budget act.

Under current law, a school district employer is required to bargain collectively in good faith with its represented employes concerning the wages, hours and conditions of employment. In 1976, the Wisconsin Employment Relations Commission determined that

among the subjects that are mandatory subjects of collective bargaining is any school calendaring proposal that is primarily related to wages, hours and conditions of employment.

Senate/Conference Committee: No change to Joint Finance.

2. MODIFICATIONS TO QUALIFIED ECONOMIC OFFER PROVISIONS

Assembly: No change to Joint Finance.

Senate: Modify current law qualified economic offer (QEO) provisions applicable to school district employers, as follows:

Maintenance of the Existing Fringe Benefits Package and Employer Fringe Benefits Offer Provisions. Retain the current law requirement that a school district employer must maintain both the existing employee fringe benefits package and the employer's percentage contribution level to that fringe benefits package, based on the fringe benefits package in place 90 days prior to the expiration of the previous collective bargaining agreement between the parties.

Modify the current requirement that the employer must provide an aggregate annual increased funding commitment of at least 1.7% of total existing compensation and fringe benefit costs for the maintenance of the employer's fringe benefits package by providing instead that the school district employer must, in addition to maintaining the existing fringe benefits package and the employer's contribution effort to that package, provide new funding up to 1.7% of total compensation and fringe benefits to support costs associated with the costs of certain newly enumerated fringe benefits items.

Enumerate the fringe benefits subject to this treatment under a new definition of "qualified economic offer issues." Specify that these QEO items would consist of all the following: salary, extra duty pay, health insurance, major medical insurance, dental insurance, life insurance, disability insurance, vision insurance, long-term care insurance, worker's compensation payments, unemployment compensation payments, social security payments, retirement contributions and supplemental retirement benefits. Repeal the current law definition of "economic issues" used in connection with defining those matters included within the scope of a QEO.

Repeal the following current law fringe benefits offer provisions: (a) the requirement that where the annual cost to continue an employer's fringe benefits package and to maintain the employer's fringe benefits contribution effort requires less than a 1.7% funding increase, the employer must add any such difference (deemed "fringe benefit savings") to the employer's salary offer component of the QEO; (b) the ability of the employer to reduce the salary component of the QEO by the amount which the maintenance of the fringe benefits package and the employer's contribution effort requires a new funding commitment of between 1.7% and 3.8%; and (c) the ability of the employer to reduce average base salaries by amounts sufficient to fund the continuation and maintenance of fringe benefits costs in excess of the 3.8% new funding commitment level.

Salary Offer Provisions. Repeal current law provisions which specify that: (a) subject to funding offsets or additions attributable to fringe benefit costs, the employer must provide an aggregate annual increased funding commitment for salaries of at least 2.1% of total existing compensation and fringe benefit costs for the full-time equivalent professional teaching employes in the bargaining unit; (b) the employer must provide, as the first draws against the additional salary dollars offered a full or a prorated seniority-based salary "step" and then any "lane progression" increases; and (c) from any remaining salary offer amounts remaining after providing both the required step and lane progression adjustments, the employer must then provide a general salary increase for all eligible employes in the bargaining unit.

Provide instead that the school district employer would have to offer one of the following two types of annual salary adjustments: (a) for collective bargaining units where school district professional employes are assigned to salary ranges with steps that determine annual progression through the range, a QEO would have to provide for an annual increase to the minimum and maximum amounts of the steps within the salary range equal to 2.1% for each 12-month period covered by the agreement; or (b) for collective bargaining units where school district professional employes are not assigned to salary ranges with steps that determine annual progression through a range, a QEO would have to provide for an increase in salaries equal to 2.1% of the employe's salary for each 12-month period covered by the agreement.

New QEO Component: Maintenance of All Conditions of Employment. In order for a school district employer's offer to be deemed "qualified," newly require the employer to maintain all conditions of employment as those conditions existed 90 days prior to the expiration of any previous collective bargaining agreement between the employer and its represented employes, or 90 days prior to the commencement of negotiations, if there was no previous collective bargaining agreement.

New QEO Component: Maintenance of Any Provisions Relating to Permissive Subjects of Bargaining. In order for a school district employer's offer to be deemed "qualified," newly require the employer to maintain any provisions relating to permissive subjects of bargaining which existed in the previous collective bargaining agreement between the employer and its represented employes or which existed 90 days prior to the expiration of any previous collective bargaining agreement between the parties in any written agreement executed by the parties. Specify that the impact of any change in any provision that existed in the previous collective bargaining agreement between the parties on which the municipal employer was not required to bargain would be deemed a mandatory subject of bargaining.

Binding Arbitration Authorized if Employer's Offer is Not "Qualified." Specify that if an investigator from the Employment Relations Commission determines, as a part of an investigation of whether a bargaining impasse exists between the parties, that the employer has not submitted a QEO, either the labor organization representing the school district professional employes or the school district employer would be authorized to petition for compulsory, final and binding arbitration, and the QEO provisions described above whereby the employer could avoid such arbitration procedures would not apply. Require the Commission to prescribe by

rule the methodology to be used to determine whether a proposal submitted by a school district employer constitutes a QEO.

Initial Applicability. Provide that these revised QEO provisions would first apply to petitions for arbitration relating to collective bargaining agreements covering contract periods beginning after June 30, 1999.

Potential Fiscal Impact. It is estimated that these provisions would result in the following likely range of annual costs increases for school district employers:

<u>QEO Cost Components</u>	<u>Percentage Increase</u>
Salary Schedule Minimums/Maximums	2.1%
Seniority-Based Step Advancement	1.0
Full Funding of Fringe Benefits at 1.7%	<u>1.7</u>
Total	4.8%

Thus, for the school teacher contract period commencing July 1, 1999, the provision would be estimated to require a new funding commitment by a school district employer under a QEO of 4.8% compared to 3.8% under current law, representing an estimated cost increase of 1.0% of compensation and fringe benefits annually.

Based on school teacher salary and fringe benefits cost projections for the 1998-99 school year, as reported by school districts to DPI on the third Friday of September, 1998, total expenditures of \$3,214,492,100 are estimated for these purposes. These projected total school teacher salary and fringe benefits amounts approximate the costs on which QEOs for the 1999-00 school year will be based. Assuming that under this provision school district employers, in the aggregate, would incur additional expenditures of 1.0% of total salary and fringe benefits costs to meet the proposal's revised QEO provisions, an additional cost of \$32.1 million annually would be projected statewide.

If the provision is enacted and these additional salary and fringe benefits costs were incurred by school district employers, the school districts would have to take one or more of the following actions: (a) reallocate the required additional sums to fund the QEO from elsewhere in the district's base budget; (b) generate revenues to fund these increased costs from the property tax levy, to the extent allowed under the district's revenue limit, in which case such costs would be included as shared costs in the following year's calculation of equalized aids; or (c) go to referendum to seek voter approval to exceed the revenue limits, in which case such costs would also be included as shared costs in the following year's calculation of equalized aids.

Conference Committee: No resolution as of this writing.

GOVERNOR

1. COOPERATIVE ARRANGEMENTS WITH EXECUTIVE BRANCH AGENCIES

Assembly: No change to Joint Finance.

Senate/Conference Committee: Delete provision, as modified by Joint Finance, that would authorize the Governor to enter into cooperative arrangements with any executive branch agency under which the agency would assist the Governor in carrying out his or her responsibilities with the following modification. Retain the Governor's authority to enter into an agreement solely with the Department of Workforce Development for the purpose of supporting a portion of the Governors Office literacy initiatives that will be supported from TANF funds.

2. INCREASED STAFF

Conference Committee: Provide \$47,500 in 1999-00 and \$94,900 in 2000-01 and authorize 2.0 FTE unclassified positions in the Office of the Governor, effective January 1, 2000.

	Chg. to JFC Funding Positions	
GPR	\$142,400	2.00

INVESTMENT BOARD

1. INCREASED LIMIT ON INVESTMENT BOARD ASSETS SUBJECT TO OUTSIDE MANAGEMENT

Assembly: No change to Joint Finance.

Senate: Delete Joint Finance provision that would have increased from the current law 15% to 20% the amount of fixed and variable retirement trust fund assets invested by the Board that may be managed and controlled by outside investment advisors.

Conference Committee: No resolution as of this writing.

LEGISLATURE

1. RETENTION OF THE MUNICIPAL "BEST PRACTICES" AUDIT FUNCTION

	Chg. to JFC Funding Positions	
GPR	\$83,400	1.00

Assembly/Senate/Conference Committee: Provide \$41,700 annually and authorize 1.0 unclassified legislative auditor position to convert an expiring project position to permanent status and maintain the Legislative Audit Bureau's municipal "best practices" audit function, which is scheduled to be repealed, effective July 1, 1999. Under this function, the State Auditor must undertake periodic reviews to: (a) examine the procedures and practices by which municipalities (counties, cities, villages or towns) deliver governmental services; (b) determine the methods of such service delivery; (c) identify variations in costs and effectiveness of such services between counties and municipalities; and (d) recommend practices to save money or provide more efficient service delivery.

2. INCREASED DUES PAYMENTS FOR MEMBERSHIP IN NATIONAL ORGANIZATIONS

Assembly: No change to Joint Finance.

Senate/Conference Committee: Delete the Joint Finance provision that would have eliminated the enumeration of dues payments to the National Committee on Uniform Traffic Laws and Ordinances from the statutory purposes of the Legislature's membership in national organizations appropriation. Also, increase the estimated expenditures for the Legislature's membership in national organizations sum sufficient appropriation by an additional \$12,000 annually to restore dues payments to the State and Local Legal Center (\$6,000 annually), the National Conference of Insurance Legislators (\$5,000 annually) and the National Committee on Uniform Traffic Laws and Ordinances (\$1,000 annually).

	Chg. to JFC
GPR	\$24,000

MILITARY AFFAIRS

1. NUMBER OF LEVEL A TEAMS

Assembly/Conference Committee: Require the Division of Emergency Management (DEM), beginning in July 1, 2001, to contract for a ninth regional emergency response team that is to be located in La Crosse County to respond to Level A hazardous materials releases. Also, amend the current statutory requirement permitting DEM to contract with from the seven to nine Level A team contracts to instead provide that DEM must contract with a total of nine teams. No additional funding is provided in this budget for this ninth team since the requirement to contract with this ninth team would not begin until July 1, 2001, which would be in the next fiscal biennium (the 2001-03 biennial budget). DEM currently contracts with a total of eight teams and new contracts with these existing teams will be negotiated for a period beginning after June 30, 2000.

Senate: No change to Joint Finance.

2. BADGER CHALLENGE PROGRAM

Assembly/Senate/Conference Committee: Authorize 1.0 position (0.90 GPR and 0.10 PR) in 1999-00 to provide a mentorship coordinator for the cadets that graduate from the Badger Challenge Program. The position would be funded, from funds already in the budget, proportional to the total amount of GPR and PR (TANF) provided for the program. In the second year of the biennium, the funding proportions for the position would shift to 75% GPR and 25% PR (TANF) and the position authority is adjusted accordingly. As part of the program, graduates are paired with mentors in their communities who meet with the youths periodically for one-year after completing the course. This position would coordinate these activities in the various communities where Badger Challenge Program graduates are located.

	Chg. to JFC
GPR	0.75
PR	<u>0.25</u>
Total	1.00

3. CIVIL AIR PATROL EQUIPMENT

Assembly/Conference Committee: Provide \$110,000 in 1999-00 to the Department's general program operations appropriation for the purpose of purchasing infrared optical equipment to search for individuals that are lost. Require the Adjutant General to purchase the infrared optical equipment, at a cost not to exceed \$110,000, and specify that the equipment be located and maintained by the Chippewa County Emergency Management Agency and be used by the civil air patrol to search for lost individuals.

	Chg. to JFC
GPR	\$110,000

Senate: No change to Joint Finance.

4. TUITION GRANT APPROPRIATION

Assembly: No change to Joint Finance.

Senate/Conference Committee: Change the appropriation for the National Guard tuition grant program from an annual appropriation to a biennial appropriation. Under an annual appropriation, any monies for this program that are not expended or encumbered at the end of a fiscal year lapse to the general fund. Under a biennial appropriation, no funds would lapse until the end of the biennium and although annual levels of spending are indicated in the appropriations schedule, DMA could spend any amount in either year of the biennium up to the total amount appropriated for the biennium.

MISCELLANEOUS PROVISIONS

1. STATE AND LOCAL CONSTRUCTION PROJECT BID AND CONTRACT REQUIREMENTS

Assembly: Require that state or local construction project bid and contract specifications shall not do any of the following: (a) require any bidder, contractor or subcontractor to enter into or adhere to an agreement with any labor organization concerning services to be performed for the project; (b) discriminate against any bidder, contractor or subcontractor for refusing to enter into or continue to adhere to an agreement with any labor organization concerning services to be performed for the project; (c) require any bidder, contractor or subcontractor to enter into, continue to adhere to, or enforce any agreement that requires its employees, as a condition of employment, to become members of or become affiliated with a labor organization; and (d) require any bidder, contractor or subcontractor to enter into, continue to adhere to, or enforce any agreement that requires its employees to make payments to a labor organization without the authorization of the employees, exceeding the employees' proportional share of the cost of collective bargaining, contract administration, and grievance adjustment.

These provisions would apply to all construction projects undertaken by DOA, DOT, counties, towns, villages, cities, metropolitan sewerage commission, all school boards, local exposition districts, and local professional baseball park districts. The provision would also apply to any Building Commission projects using innovative design and construction processes where the Building Commission may otherwise waive construction contract requirements.

Provide that any taxpayer of this state or any other person who enters into contracts or subcontracts for building construction services may bring an action to require compliance with these new provisions. Specify that if that person prevails in his or her action, the court shall award to that person reasonable actual attorney fees and allowable court costs and fees.

These provisions would first apply to bids and contracts that are let, entered into, extended, or modified or renewed on the effective date of the budget bill.

Senate/Conference Committee: No change to Joint Finance.

2. FUNDING OF COUNTY WRS LIABILITIES

Assembly/Conference Committee: Authorize any county to issue promissory notes for the purpose of paying its share of unfunded accrued actuarial liabilities due to the WRS, provided all the proceeds of the note are used for that purpose. Specify that this new authority would first apply to promissory notes issued on and after the general effective date of the biennial budget act. Unfunded pension system liabilities (liabilities for the cost of prior service pension benefit credits granted to employees) typically result when improvements in WRS retirement benefits are authorized by the Legislature and eligibility for those benefit improvements is granted retroactively to WRS participants for those years of service earned before the effective date of the benefit improvements. Currently, 71 Wisconsin counties have WRS unfunded liabilities totaling an estimated \$257.9 million.

Senate: No change to Joint Finance.

3. ACCESS TO CABLE TV SERVICE

Assembly/Conference Committee: Modify current municipal law regarding access to cable TV service to prohibit an owner or manager of a mobile home park from preventing or interfering with, a cable operator providing cable services to a resident of a mobile home park. Currently, owners or managers of a multiunit dwelling under common ownership, control or management and the boards of directors of condominiums are similarly prohibited from interfering with the provision of cable services to residents in these types of dwellings.

Senate: No change to Joint Finance.

4. DISPOSAL OF RECORDS CONTAINING PERSONAL INFORMATION

Assembly: No change to Joint Finance.

Senate: Provide that a financial institution, medical business or tax preparation business may not dispose of a record containing personal information unless the financial institution,

medical business, tax preparation business or other person under contract with the financial institution, medical business or tax preparation business does any of the following: (a) shreds the record before disposing of the record; (b) erases the personal information contained in the record before disposing of the record; (c) modifies the record to make the personal information unreadable before disposing of the record; or (d) takes actions that it reasonably believes will ensure that no unauthorized person will have access to the personal information contained in the record for the period between the record's disposal and the record's destruction.

Specify that financial institutions, medical businesses or tax preparation businesses are liable to a person whose personal information is improperly disposed of for the amount of damages resulting from the violation.

Define "personally identifiable" to mean capable of being associated with a particular individual through one or more identifiers or other information or circumstances and "record" to mean any material on which written, drawn, printed, spoken, visual or electromagnetic information is recorded or preserved, regardless of physical form or characteristics.

Define personal information to include all of the following: (a) personally identifiable data about an individual's medical condition, if the data is not generally considered to be public knowledge; (b) personally identifiable data that contains an individual's account or customer number, account balance, balance owing, credit balance or credit limit, if the data relates to an individual's account or transaction with a financial institution; (c) personally identifiable data provided by an individual to a financial institution upon opening an account or applying for a loan or credit; (d) personally identifiable data about an individual's insurance, if the insurance is related to a transaction with a financial institution; or (e) personally identifiable data about an individual's federal, state or local tax filings.

Specify that these provisions that effect on the first day of fourth month after the effective date of the budget bill.

Conference Committee: Include the Senate provisions with the following changes:

a. Include a definition of the term "dispose" that specifies that the sale of a record or the transfer of a record for value would not be considered a record disposal subject to this provision.

b. Remove from the definition of personal information subject to this provision personally identifiable data about an individual's insurance, if the insurance is related to a transaction with a financial institution.

c. Modify the definition of a tax preparation business to specify that tax preparation businesses included under the record disposal requirements are only those that charge a fee for the service.

d. Add a provision for a civil penalty to be imposed against any person who, for any purpose, uses personal information contained in a record that is disposed of by a financial institution, medical business or tax preparation business. Specify that the penalty would be in the amount of damages resulting from the person's use of the information, and could be paid to the individual who is the subject of the record and to the financial institution, medical business or tax preparation business that disposed of the record. Specify that the penalty would not apply to a person who uses personal information with the consent or authorization of the individual who is the subject of the personal information.

e. Add a provision for a civil penalty of not more than \$1,000 to be imposed on a financial institution, medical business or tax preparation business that improperly disposes of a record. Specify that acts arising out of the same incident or occurrence are to be treated as a single violation.

f. Add a provision for a criminal penalty of not more than 90 days imprisonment and/or a fine of not more than \$1,000 to be imposed for any person who: (1) possesses a record that was disposed of by a financial institution, medical business or tax preparation business; and (2) intends to use, for any purpose, the personal information contained in the record. Specifically exclude from the penalty a person who possesses a record with the authorization or consent of the individual whose personal information is contained in the record.

5. PROHIBITING SOCIAL SECURITY NUMBERS ON CERTAIN STATE DOCUMENTS

Assembly: No change to Joint Finance.

Senate/Conference Committee: Specify that the following issuing authorities would have to ensure that an individual's social security number does not appear on any of the following forms or documents issued or used by the indicated authority: (a) for the ETF Secretary, any WRS participant's annual statement of account and any participant's statement of account under the deferred compensation program; and (b) for the DER Secretary, any form on which a state agency requires its employees to record their number of hours worked during any part of a pay period. Stipulate that these provisions would first apply to the affected documents or forms issued or used by the state on the first day of the seventh month following the general effective date of the biennial budget act.

6. CONTRACTS FOR THE DISPLAY OF FREE NEWSPAPERS

Assembly: No change to Joint Finance.

Senate/Conference Committee: Stipulate that a contract for the display of a newspaper that is distributed free of charge to the public in a place of public accommodation may not prohibit the person distributing the newspaper from distributing or displaying any other newspaper that is distributed free of charge to the public. Specify that a provision in a contract

that violates this requirement would be unenforceable (but would not adversely affect the enforceability of the remaining provisions of the contract).

Define a "newspaper" as a publication printed on newsprint that is published, printed and distributed periodically at daily, weekly or other short intervals for the dissemination of current news and information of a general character and a general interest to the public. Define a "place of public accommodation" as a business, accommodation, refreshment, entertainment, recreation or transportation facility where goods, services, facilities, privileges, advantages or accommodations are offered, sold or otherwise made available to the public. Specify that these provisions would first apply to contracts entered into or renewed on and after the general effective date of the biennial budget act.

PUBLIC SERVICE COMMISSION

1. TELECOMMUNICATIONS TARIFF FILING EFFECTIVE DATES

Assembly/Conference Committee: Restore the Governor's recommendation, which was deleted by Joint Finance, to repeal the current ten-day minimum waiting period between the date of a rate tariff filing with the PSC and the effective date when a telecommunications utility can begin charging for new telecommunications services or commence the offering of promotional rates. Under current law, a telecommunications utility that chooses to offer a new telecommunications service or makes a limited offering of promotional rates must first file a rate tariff with the PSC and wait a minimum of ten days before the rates can become effective. New telecommunications services are additional functions or features that were not part of any telecommunications services offered by the utility prior to January 1, 1994, such as caller identification or voice-mail. Promotional rates are time-limited, discounted rates for telecommunication services designed to encourage customer use of a service. Under current law, the PSC may, at the request of a telecommunications utility, direct that either of these special tariff filings be effective after a shorter time period than the ten day waiting period specified in the statute. Under this change, these tariff filings would become effective upon their filing with the PSC unless a later date is specified in the filing.

Under the proposed change, the PSC would retain its current authority to suspend either type of proposed tariff. In the case of new telecommunications services, the PSC would continue to be able to suspend rate tariff filings by providing written notice to the telecommunications utility within 10 days of the filing. If the PSC suspends a new telecommunications services tariff, it may modify the tariff if the PSC finds that the filing violates statutory requirements regarding: (a) the prohibition on subsidization of any activity of

an affiliate of the utility; (b) privacy considerations; or (c) the protection of telecommunications consumers. The PSC has a maximum of 60 days (120 days if a public hearing on the matter is held) to issue a final order on the proposed tariff or the tariff as filed becomes effective. With regard to promotional rates, the PSC would continue to be able to suspend a rate tariff within 10 days of filing if the PSC finds that the rate would violate any of the statutory requirements cited above. If the PSC suspends a promotional tariff, it must investigate and resolve the matter within 60 days of the date of the filing.

Senate: No change to Joint Finance.

2. RELIABILITY 2000 INITIATIVE -- MODIFICATION OF ELECTRIC UTILITY REGULATION AND PUBLIC BENEFITS PROGRAMS

Assembly: No change to Joint Finance.

Senate: Include provisions providing asset cap relief for public utility holding companies if they meet specified criteria, including transferring their transmission facilities to a new electric transmission company. Authorize creation of this company and specify its organization, duties, relation to PSC, and licensure requirements. Create new public benefits program for low-income energy assistance and energy conservation, including the creation of new revenue sources. Provide numerous other provisions regarding the regulation of electricity.

Asset Cap

Modify the current asset cap limitation on public utility holding companies if all public utility affiliates in a holding company system do the following: (a) agree to transfer transmission facilities and land rights to a newly created transmission utility; and (b) satisfy the following requirements: (1) petition the PSC and the Federal Energy Regulatory Commission for approval to transfer operational control of their electric transmission facilities that are located in Wisconsin, Iowa, Michigan, Minnesota and Illinois to the Midwest Independent System Operator (MISO); (2) file an unconditional, irrevocable and binding commitment to contribute, no later than June 30, 2000, all of the affiliate's transmission facilities in this state and land rights to the new transmission company; (3) file with the PSC an unconditional, irrevocable and binding commitment to also contribute transmission facility and land rights they may obtain after the effective date in Wisconsin; (4) notify the PSC in writing that they have become members of the MISO and will not withdraw their membership prior to contributing their transmission facilities to a new transmission company in this state; and (5) petitions the PSC and FERC to approve the contributions.

If a public utility holding company meets the requirements above, then the existing asset cap formula for the holding company would be modified in three ways. First, provide that a newly defined category of eligible assets of a nonutility affiliate in the holding company system

would be excluded from both the sum of the assets of the public utility affiliates and of the nonutility affiliates in the asset cap formula. Second, provide that the net book value of the transmission facility assets that the public utility contributes to a transmission company would be included in the sum of the assets of the public utility affiliate in the asset cap formula. Third, specify that if the PSC, a court or a federal regulatory agency orders the public utility affiliate to transfer generation assets to another person, the net book value of the sum of these generation assets would be included in the sum of the assets of the public utility affiliate in the asset cap formula.

Also provide the PSC would be prohibited from imposing upon a holding company established prior to 1985 and which is not itself a public utility (WICOR) any asset cap that is less than 25% and specify that the asset cap would not apply to the ownership, operation, management or control of any eligible asset, or an asset that is used for manufacturing, distributing or selling swimming pools or spas.

Creation of Transmission Company

Authorize public utility companies in the eastern portion of the state to transfer ownership of their transmission facilities, in exchange for stock, to a new transmission company that has as its sole purpose the planning, construction, operating and maintaining and expanding its transmission facilities to provide an adequate and reliable transmission system. Authorize public utility affiliates to join as a condition of receiving asset cap relief. Further, permit electric cooperatives and other public utilities to transfer their transmission facilities to the new transmission company under the same terms. Allow transmission-dependent utilities and retail electric cooperatives to purchase equity interest in the transmission company.

Transmission company organization. Specify that the transmission company could be either a corporation or a limited liability corporation. Provide that the board of directors/managers would consist of no less than five and no more than 14 managers or directors. Require that: (a) at least four of the directors/managers be elected by a majority vote of the security holders of the company and not be employees or independent contractors of a person engaged in the production, sale, marketing, transmission or distribution of electricity or natural gas or an affiliate of such a person; and (b) the remaining directors/managers be appointed by shareholders, or combination of shareholders, that meet a minimum ownership stake criteria.

Transmission company duties. Provide that the transmission company would be required to do all of the following: (a) apply for any state or federal approval to begin operations no later than November 1, 2000; (b) enter into a three-year contract with the transmission utilities that transfer their facilities to provide operation and maintenance; (c) assume existing obligations associated with the transferred facilities; (d) apply for membership in the Midwest Independent System Operator (MISO) system as a single zone; (e) transfer, upon determination by the PSC, operational control of its transmission system to the MISO; (f) remain

a member of the MISO or any federally approved successor for at least six years; and (g) elect to be included in a single zone for tariff purposes.

Provide that after the PSC has authorized the transmission company to begin operations, the transmission company would have the exclusive duty to provide transmission service in a specified area of the state. Specify that the transmission company would be authorized to construct transmission facilities, with PSC approval, and, subject to any approval required under federal law, purchase or acquire additional transmission facilities.

Specify that the transmission company would be required to operate a single zone pricing systems and if necessary develop a five-year phase-in plan for this purpose. Stipulate that the transmission company would have to consult with all of the contributing public utility affiliates in developing the plan and require the company to also seek plan approval from the FERC and the MISO.

Restrictions on the transmission company. Provide that the transmission company would be prohibited from doing any of the following: (1) selling or transferring its assets unless they are sold, transferred or merged in an integrated manner that ensures that transmission facilities are planned, constructed, operated, maintained and controlled in a single transmission system; (2) bypassing the distribution facilities of an electric utility or providing direct retail service; and (3) owning generation facilities or selling, marketing or brokering electric capacity or energy, except if authorized or required by the Federal Energy Regulatory Commission.

PSC jurisdiction. Provide that the transmission company would be subject to PSC jurisdiction except to the extent that it is subject to the exclusive jurisdiction of the Federal Energy Regulatory Commission. Stipulate the PSC would be required to review the terms and conditions of any transfer of transmission facilities and arbitrate disagreements over land transfers unless it is subject to federal jurisdiction. Specify that any transfer must: (a) be at net book value; (b) minimize any adverse tax consequences; and (c) make allowance for merger-related accounting restrictions. Require that if a public utility affiliate commits to contributing land rights to the transmission company, the affiliate would have to comply with stipulated transfer requirements. Provide for forfeiture provisions and allow legal petitions to ensure execution of any commitment to contribute transmission facilities and land rights to the transmission company.

Repeal the PSC authority to approve any issuance of securities by the company or to exclude the transmission company from the definition of a holding company and, thus, the state holding company law. Prohibit the PSC from treating any dividends, gains or profits from a utilities investment in a transmission company as credits against the retail revenue requirements of the utility.

Provide that the PSC would be required to determine when the MISO would be authorized to begin operation and at that time each transmission utility in the transmission area that is a public utility would have to transfer operations control over its transmission facilities to

the MISO. Also, require all public utilities that did not contribute their transmission facilities to the transmission company would have to become part of the single zone within the MISO. Provide that after the MISO begins operations, the MISO would have the exclusive duty to provide transmission service in the transmission area. Specify that if the PSC determines the MISO has failed to commence operations or has ceased operations, the PSC would be required to designate another independent system operator that is authorized under federal law to operate in Wisconsin.

License Fees for Light, Heat, and Power Companies

Define a transmission company as a light, heat and power company for the purposes of the annual license fee on such companies and therefore exempt from general property taxes. Provide that the annual license fee imposed on a transmission company would be an amount equal to the gross revenues multiplied by the rate specified for gross revenues of a private light, heat and power company. Specify that, for a transmission company, "gross revenues" would mean total operating revenues as reported to the PSC except revenues for transmission service that is provided to a municipal light, heat and power company, or to a public utility.

Provide that transmitting electric current for light, heat or power would be added to the businesses that, when carried out by an electric cooperative taxed under the license fee for electric cooperatives, would not be included in the definition of a "light, heat and power company" for the purpose of the license fee on such companies.

Specify that these provisions would first apply to taxable years beginning on January 1 of the year in which the bill generally takes effect, unless the bill's general effective date is after July 31. In that case, the provisions would first apply to taxable years beginning on January 1 of the following year.

Public Benefits Programs

Public benefits program elements. Direct DOA, in consultation with a new Council on Public Benefits, to establish low-income energy assistance and energy conservation and efficiency services public benefit programs under the Division on Housing.

Low-Income Energy Assistance Programs. Create a program for awarding grants to provide assistance to low-income households for weatherization and other energy conservation services, payment of energy bills and the early identification and prevention of energy crises. Specify that in each fiscal year, the amount awarded under the program for weatherization and other energy conservation services would have to be sufficient to equal 47% of the sum of the federal low-income weatherization and energy conservation funds received by the state, all revenues spent by continuing low-income programs established by utilities, all funds expended under this new DOA program and 50% of the public benefits funds received from municipal utilities.

Energy Conservation and Efficiency and Renewable Resources Programs. Create a program for awarding grants for energy conservation and efficiency services and for renewable resources

programs directed at: (a) the least competitive sectors of the energy conservation and efficiency services market; and (b) promoting environmental protection, electric system reliability or rural economic development. Specify that 4.5% of the funds for this program be expended for renewable resources and 1.75% of the funds be used for research and development proposals. Require DOA to establish requirements and grant application procedures for grants by rule.

Program administration. *Department of Administration.* Provide that DOA's Division of Housing should contract with community action agencies, nonprofit corporations or local units of government to provide the low-income program services and with one or more nonprofit corporation to administer the energy conservation and related programs. Require that DOA, beginning in the 2004-05 fiscal year, determine whether to continue, discontinue or reduce any of the programs related to energy conservation and efficiency and renewable resources. Provide that DOA would have to determine the amount of funding necessary for the programs that are continued or reduced and notify the PSC of this funding determination.

Other DOA Duties. Direct DOA to encourage customers to make voluntary contributions to support public benefit programs. Specify that DOA would have to conduct an annual independent audit of the public benefits programs for submission to the Legislature and Governor.

Emergency Rules. Specify that DOA would have to promulgate emergency rules for the public benefits programs and that draft permanent rules would have to be submitted to the Legislative Council within six months of the general effective date of the budget bill.

Council on Public Benefits. Create an 11-member Council on Public Benefits, attached to DOA and require DOA to consult with the Council in the development of public benefits programs.

Revenue sources for the public benefits programs. *Continuation of Existing Utility Funding.* Provide that the PSC would have to determine the amount each major investor-owned electric or gas utility spent on public benefit programs in calendar year 1998 and require them to continue to collect such amounts through rates. Specify that for calendar years 1999, 2000 and 2001 utilities would have to phase over such revenue amounts from their programs to the DOA public benefits programs so that by 2002 the utilities would contribute the entire amount to DOA.

New Fees -- Collected by Investor-Owned Utilities. Specify that these new fees, set by DOA by rule, would have to be flat fees, not based on the customer's electric usage, but would vary between customer classes. Require that 70% of the amounts collected would have to be charged to residential customers and 30% would have to be charged to nonresidential customers. Through June 30, 2008, provide that the total amount of fees payable by an individual customer would be capped at a 3% increase in the customer's total bill for all other charges or \$750 per month, whichever is less.

For the low-income programs in 1999-00, provide that the fees must be sufficient to generate \$27 million minus one-half of the amount raised by municipal utilities and cooperatives. In subsequent years, provide that the amount that would have to be raised to be "the low-income need target" minus: (a) one-half of the amounts raised by municipal utilities and cooperatives; (b) all federal funds received for low-income programs; and (c) all funds collected by utilities at the 1998 level of public benefit program expenditures by the utilities. Provide that "low-income need" would be defined as the amount by which the cumulative energy bills of all low-income households in the state exceed 2.2% of the cumulative incomes of such households. Specify that "low-income need target" would be defined as the proportion of the low-income need funded in fiscal year 1999-00 times the low-income need of a given year. Require that the low-income need target be set such that it would fund from these fees the same proportion of a given year's low-income need as was funded in 1999-00 outside of funding from other sources.

For the energy conservation and efficiency services program in 1999-00, require that the fees be sufficient to generate \$20 million minus one-half of the amounts raised by municipal utilities and cooperatives. After 1999-00, require that the portion of fees for this program be the same as determined for 1999-00, except direct DOA to reduce the required funding level of the energy conservation public benefit programs if DOA determines to reduce the required funding level for such programs beginning in 2004-05.

New Fees -- Collected by Municipal Utilities and Cooperatives. Provide that municipal utilities and cooperatives would have to collect fees from their customers that average \$17 per electric meter per year. Specify that such utilities could charge different fee levels for different customer classes and could establish the same maximum per customer fee as authorized for investor-owned utilities.

Federal Revenues. Provide that the amount of federal revenues received by the state for the existing federal funding amounts under the low-income weatherization assistance program and the low-income home energy assistance program would be included as part of the formula used to set the public benefit fees.

Municipal utilities and cooperatives "commitment to community" programs. Specify that municipal utilities and cooperatives would be authorized to implement all or part of the public benefit programs (called "commitment to community" programs) for their customers. State that these utilities could implement such programs individually or jointly with other municipal utilities or cooperatives. Provide that, if a municipal utility or cooperative implement both public benefits program components, it would retain all of the fee revenues collected and could use them for that purpose. Specify that: (a) if a municipal utility or cooperative implements only one components, it would retain one-half of the revenues for its program and pay the remaining half to the state; or (b) if a municipal utility or cooperative does not implement a commitment to community program, it would pay all of the fee revenues to the state.

Require that each municipal utility or cooperative would have to notify DOA whether the utility intends to implement a commitment to community program within one year of the effective date of the proposal and every three years thereafter. Provide that, after implementing a commitment to community program, a utility would be required to continue it for a period of three years.

Require that a municipal utility or cooperative with a commitment to community program would have to submit an annual report to DOA and that the report would have to include such information as an accounting of fees charged to customers, program expenditures and program description.

Public benefits fund and appropriations structure. Establish a new segregated utility public benefits fund as a separate nonlapsible trust fund. Provide that investor-owned utility public benefits fees, municipal utility and cooperatives public full or partial benefits fees payments to DOA and voluntary contributions from utility customers would be deposited to this fund.

Create a new SEG-funded annual appropriation under DOA, funded from the utility public benefits fund, to support the general program operations of DOA's public benefits function. No funding or position authority would be provided in this appropriation. Create two additional SEG-funded sum sufficient appropriations, funded from the utility public benefits fund, to support, respectively, low-income assistance grants and energy conservation and efficiency and renewable resource grants.

Public benefits fiscal effect. Under the proposal DOA would have to set public benefit fees such that: (a) for low-income program in 1999-00, \$27 million would have to be collected (less one-half of any amounts raised by municipal utilities and cooperatives); and (b) for the energy conservation and efficiency services program in 1999-00, \$20 million would have to be collected (less one-half of any amounts raised by municipal utilities and cooperatives). Municipal utility and cooperative fee collections are estimated to total \$7.4 million for all public benefits. Thus, in 1999-00 investor-owned utilities would be required to contribute a minimum of \$23.3 million to the utility public benefits fund for low-income programs and a minimum of \$16.3 million to the utility public benefits fund for energy conservation.

Contribution rates for the 2000-01 fiscal year would have to be determined by DOA during the 1999-00 fiscal year. However, if it is assumed that they would be comparable to those set by this proposal for the 1999-00 fiscal year, additional contributions of \$39.6 million from investor-owned public utilities in 2000-01 could be expected, representing a total of \$79.2 million of fee revenues for the 1999-01 biennium.

These totals could be further increased if: (a) municipal utilities and cooperatives elected not to offer commitment to community programs and instead contributed their public benefits fees to DOA; and (b) investor-owned utilities began to phase-down their current utility-

sponsored programs and to shift such revenues to DOA. The extent to which either of these shifts would occur during the next biennium cannot be determined at this time.

The amounts credited to the utility public benefits fund would actually be expended through the sum sufficient appropriations to fund low-income assistance grants and energy conservation and efficiency grants. All revenues credited to the public benefits trust fund could be expended through the new sum sufficient appropriations for low-income assistance grants and energy conservation and efficiency and renewable resource grants. It is estimated that grant expenditures would amount to \$39.6 million SEG annually; however, the final expenditure amounts would be determined by the number and amount of grant applications actually received by DOA.

The federal funds for low-income weatherization assistance and energy assistance programs are currently funding existing programs and these appropriation amounts are already in the budget bill.

Other Provisions

Renewable resource energy. Require that each electric utility or retail electric cooperative meet targets for providing retail energy sales from renewable resources energy. The targets would begin at 0.5% of total retail energy sales by December 31, 2000 and increase to 2.2% by December 31, 2010. The sale of renewable resources credits would be authorized to allow an entity to meet the renewable resources energy requirements. Require the PSC to promulgate rules for calculating credits but prohibit the PSC from placing restrictions on the sale price.

Employment requirements for acquired energy units. Require any person that sells a business unit engaged in certain energy related activities to provide as a condition of the sale certain employee protections. In general, require that employees must be retained for a 30-month period after the acquisition at the same or higher wage rates and similar terms and conditions of employment, including fringe benefits. Stipulate that no person may sell an energy business unit unless PSC certifies that these conditions have been met.

High-voltage transmission lines and fees. Require PSC, prior to issuing a certificate of public convenience and necessity for high-voltage transmission lines, to make certain findings regarding environmental impact and cost benefits. Direct that DOA shall promulgate rules for two fees related to the PSC approval of high-voltage transmission lines for operation at 345 kilovolts or more. The fees require an applicant to pay to DOA an annual impact fee equal to 0.3% of the cost of the transmission line and a one-time environmental impact fee equal to 5% of the cost of the transmission line. Provide that DOA shall distribute the fees by statutory formula to counties, towns, cities and villages through which the high-voltage transmission line is routed.

Nitrogen oxide emissions. Require that the DNR rule requiring emissions reductions may not regulate nitrogen oxide emissions from utilities and cooperatives located in certain

Western counties under the EPA required nitrogen-oxide state implementation plan. In addition, prohibit DNR from requiring nitrogen oxide emission reductions for any other electric utility or large industrial core sources in Wisconsin to make up for the prohibited reductions from the Western Wisconsin utilities and cooperatives.

Public intervenor financing. Modify existing PSC authority to provide intervenor financing to certain organizations by requiring that PSC shall, rather than may, provide intervenor financing and by providing an additional \$250,000 PR annually for this activity.

Interstate transmission compact. Authorize the Governor, to enter into a compact, with one or more states in the upper Midwest, to create a joint process for determining the need for and siting of regional electric transmission facilities. Require adherence to state laws regarding siting and environmental protection.

PSC construction orders. Amend the PSC authority to order investor owned utility to construct or procure transmission facilities by: (a) including any public utility, not just investor owned utilities; (b) changing the PSC charge from "may order" to "shall order"; and (c) eliminating the December 31, 2004, sunset date and the requirement that the order be based upon a September, 1998, transmission constraint study.

Additional requirements for PSC. Require the PSC to do the following: (a) establish requirements and procedures for environmental impact reviews; (b) promulgate rules requiring certain electric utilities and cooperative associations to submit reports on their electric reliability status; (c) in conjunction with DOA and DOR, study the establishment of a program for development of high-efficiency, small-scale electric generating facilities; (d) contract for a study on the horizontal market power of electric generators and their ability to frustrate the creation of an effectively competitive retail electric market in the state; (e) require investor-owned electric utilities to file market-based rates and establish such market-based rates that are consistent with market-based pricing options and individual contract options, except provide that the PSC may not establish such rates if the rates are likely to harm the utility's shareholders or customers who are not subject to the rates; and (f) order a public utility affiliate or the transmission company to make certain investments in its facilities if the PSC determines that the public utility affiliate or transmission company is not making investments that are sufficient to ensure reliable electric service.

Conference Committee: Include the Senate provisions with the following changes:

Asset cap relief

	Chg. to JFC
SEG-REV	\$55,500,000
PR	\$500,000
SEG	\$55,500,000

Extend from June 30, 2000 to September 30, 2000, the date by which a public utility affiliate in a holding company system must file with the PSC an unconditional, irrevocable and binding commitment to contribute all of its transmission facilities to the new transmission

company in order to qualify for asset cap relief. Similarly extend the date by which the public utility affiliate must complete the contribution of transmission facilities.

Modify the asset cap calculation to include assets used for providing environmental engineering services in the definition of eligible assets of a nonutility affiliate in the holding company. Eligible assets are excluded from both the sum of the assets of the public utility affiliates and of the nonutility affiliates in calculating the asset cap formula for those public utility holding companies that meet the criteria for asset cap relief.

Creation of transmission company (TC)

Change the definition of “electric utility” in the Senate provisions relating to the formation and operation of the transmission company (TC), including transmission system requirements. Under the change, “electric utility” means either an electric public utility or a retail or wholesale electric cooperative. The impact of this change in definition is to include retail electric cooperatives and their members and to exclude nonutility entities such as wholesale merchant plants from the provisions regarding the creation and operation of the TC.

Define transmission facility for the purposes of determining what transmission facilities will be contributed to the TC, subject to any required federal approval, as the following: (a) the facility is not a radial facility and is designed for operation at a nominal voltage of more than 130kV; (b) the facility is not a radial facility and is designed for operation at a voltage greater than 50 kV and not more than 130kV, unless a person has demonstrated to the PSC that the particular facility is not a transmission facility on the basis of factors identified by the federal energy regulatory commission; (c) the facility is a radial facility or is designed for operation at a nominal voltage of 50- kV or less, and a person has demonstrated to the PSC that the facility is a transmission facility on the basis of factors identified by the federal energy regulatory commission. [NOTE: An example of a radical facility would be a terminal transmission line.]

Limit the transfer of transmission facilities from electric utilities, other than a public utility affiliates or wholesale merchant plant owners or operators, to electric utilities that are located in the geographic area that is served by the Mid–America Interconnected Network, Inc. (MAIN), or the Mid–Continent Area Power Pool (MAPP) Reliability Council of the North American Electric Reliability Council.

Clarify that the valuation of net book value of any transmission facilities contributed to the transmission company must be based upon the regulated books of account. In addition, the definition of “contribute a transmission facility” is expanded to include deferred investment tax credits to the extent permitted by state and federal law.

Authorize the PSC, in its review of the terms and conditions of transmission facility transfers, to allow an affiliate to recover in its retail rates any adverse tax consequences of the

transfer of transmission facilities as a transition cost. In addition, authorize the PSC to take any action necessary to satisfy the transfer of transmission facilities by public utility affiliates.

Transmission company organization

Modify the provisions regarding the organization of the transmission company to ensure comparable governance under either a corporation or a limited liability company (LLC) and conform to the general statutes governing LLC's. The modifications include: (a) clarifying that the managers of the LLC are to function like the board of directors; (b) deleting the secretary of the LLC, since the statutes do not create such a position in a LLC; (c) specifying that the LLC will make distributions rather than pay dividends; and (d) enumerating the contents of the LLC's operating agreement rather than its articles of organization.

Amend the provision relating to the process for appointing a manager or director to the transmission company to limit each security holder to one appointment. Also, clarify that only the voting security holders of the TC, rather than all security holders, elect the managers or directors of the transmission company.

Transmission company duties

Clarify that the TC does not have the duty to provide transmission service provided by an electric utility or cooperative that has not contributed its transmission facilities to the transmission company. Similarly, after the Midwest Independent System Operator (MISO) begins operations, it does not have the duty to provide transmission service in the transmission areas where control over transmission facilities has been transferred to the MISO.

Clarify that the phase-in transmission tariffs and rates that the TC is required to develop are a component of the single-zone tariff administered by the MISO.

Restrictions on the transmission company

Amend the prohibition on the TC from providing electric service directly to a retail customer or member to prohibit any kind of service directly to a retail customer or member.

Public benefits

Public benefits program elements. *Low-Income Energy Assistance Programs.* Clarify the formula to determine the annual amount of awards under the proposed new low-income energy assistance program. Specify that the annual amounts awarded under the new DOA program for weatherization and other energy conservation services must equal 47% of the sum of the following: all federal low-income weatherization and energy conservation funds received by the state, all revenues spent by continuing low-income programs established by utilities, all

funds expended under this new DOA program and 50% of the public benefits funds received from municipal utilities.

Direct DOA to develop a mechanism for phasing in this formula during the 1999-00 and 2000-01 fiscal years and direct that the grants awarded during these fiscal years be made in accordance with this phase-in mechanism.

Program administration. *Department of Administration.* Clarify the manner by which DOA may reduce the amounts required for the energy conservation and efficiency and renewable resources program, commencing with the 2004-05 fiscal year. Specify that if DOA reduces the amounts for energy conservation and efficiency and renewable resources program awards by an amount greater than the public benefits fees collected from all utilities (\$20 million annually), DOA must report to the PSC the amount by which the reduction exceeds the amount of public benefit fees collected. The PSC would be required to reduce the amount of public benefit fees that utilities are required to contribute for such programs by the amount of the difference.

Other DOA Duties. Specify that DOA and the Council on Utility Public Benefits could also specify topics to be addressed in the annual independent audits of the public benefits programs.

Emergency Rules. Specify that DOA would not be required to consult with the Council on Utility Public Benefits in promulgating rules for the public benefits programs. Specify that DOA would not have to make a finding of an emergency in order to promulgate emergency rules relating to public benefits programs during the period before the promulgation of permanent rules.

Revenue sources for the public benefits programs. *Continuation of Existing Utility Funding.* Require the PSC to direct the phase over of utility funded public benefits programs to the new DOA public benefits programs during calendar years 2000, 2001 and 2002 rather than during 1999, 2000 and 2001.

New Fees -- Collected by Investor-Owned Utilities. Specify that for low-income programs, the initial fees collected in 1999-00 would be set at \$24,000,000 rather than \$27,000,000. Specify further, that the amounts collected for low-income programs (\$24,000,000, less one-half of the amounts collected from municipal utilities) and for energy conservation and efficiency programs (\$20,000,000, less one-half of the amounts collected from municipal utilities) would be reduced in proportion to the amount of time that has elapsed in 1999-00 before DOA has promulgated emergency rules setting the amount of fees that must be collected from the various utilities. Specify further that the amount of the "low-income need target" used to develop fee collection requirements for low-income programs in future fiscal years would be treated as if the full annual amounts for low-income programs had been collected.

New Fees -- Collected by Municipal Utilities and Cooperatives. Provide that municipal utilities

and cooperatives would have to collect fees from their customers that average \$16 rather than \$17 per electric meter per year. It is estimated that \$7 million annually would be collected under this provision.

Public benefits fiscal effect. Under the modified proposal, DOA would have to set public benefits fees such that: (a) for low-income program in 1999-00, \$24 million would have to be collected (less one-half of any amounts raised by municipal utilities and cooperatives); and (b) for the energy conservation and efficiency services program in 1999-00, \$20 million would have to be collected (less one-half of any amounts raised by municipal utilities and cooperatives). Municipal utility and cooperative fee collections are estimated under the revised \$16 per electric meter per year provision to total \$7 million for all public benefits. Thus, in 1999-00 investor-owned utilities would be required to contribute a minimum of \$20.5 million to the utility public benefits fund for low-income programs and a minimum of \$16.5 million to the utility public benefits fund for energy conservation. However, the proposal would also require that the 1999-00 amounts be prorated to reflect the amount of time that elapses until DOA promulgates emergency rules governing the amount of fees to be collected in 1999-00. Assuming that such rules would be in place by January 1, 2000, total investor-owned utility collections for public benefits would be estimated to be \$18.5 million for the balance of the 1999-00 fiscal year.

Contribution rates for the 2000-01 fiscal year would have to be determined by DOA during the 1999-00 fiscal year. However, if it is assumed that they would be comparable to those set by this proposal for the 1999-00 fiscal year, additional contributions of \$37 million from investor-owned public utilities in 2000-01 could be expected, representing a total of \$74 million of fee revenues for the 1999-01 biennium.

These totals could be further increased if: (a) municipal utilities and cooperatives elected not to offer commitment to community programs and instead contributed their public benefits fees to DOA; and (b) investor-owned utilities began to phase-down their current utility-sponsored programs and to shift such revenues to DOA. The extent to which either of these shifts would occur during the next biennium cannot be determined at this time.

The amounts credited to the utility public benefits fund would actually be expended through the sum sufficient appropriations to fund low-income assistance grants and energy conservation and efficiency grants. All revenues credited to the public benefits trust fund could be expended through the new sum sufficient appropriations for low-income assistance grants and energy conservation and efficiency and renewable resource grants. It is estimated that grant expenditures would amount to \$37 million SEG annually; however, the final expenditure amounts would be determined by the number and amount of grant applications actually received by DOA.

The federal funds for low-income weatherization assistance and energy assistance programs are currently funding existing programs and these appropriation amounts are already in the budget bill.

Renewable resource energy. Delay by one year the compliance dates of the renewable resource target requirements. The revised requirement for electric providers is to generate 0.5% of total retail electric sales from renewable sources by December 31, 2001 and incrementally increase the requirement to 2.2% by December 31, 2011. Also authorize members of a municipal electric company to aggregate and allocate renewable energy among members in determining compliance with the renewable resource targets.

Nitrogen oxide emissions. Delete the prohibition on the Department of Natural Resources from requiring emissions reductions from utilities and cooperatives located in certain western counties. Instead include the following changes:

New DNR NOx Requirements. Require DNR to notify DOA and the PSC if it implements a state implementation plan that requires electric generating facilities in the midcontinent area of Wisconsin (the geographic area served by the Mid-Continent Area Power Pool reliability council of the North American Electric Reliability Council) to establish NOx emission reductions. The DNR notice shall specify the date on which electric generating facilities in the midcontinent area are required to comply with the initial nitrogen oxide emission reduction requirements.

When DNR establishes NOx emission reductions for the control of atmospheric ozone in another state pursuant to a call, DNR may not, in a state implementation plan, by rule or through the adoption of control strategies, establish NOx emissions standards or limitations that do any of the following: (a) require less than 2,234 tons, or the greater number of tons determined under a specified alternate method, in total NOx emissions each summer (May 1 through September 30) from all electric generating facilities located in northwestern counties that are owned by electric cooperatives; (b) require less than 315 tons, or the greater number of tons determined under a specified alternate method, in total NOx emissions each summer from all electric generating facilities located in northwestern counties that are owned by public utilities; or (c) require less than 15,157 tons, or the greater number of tons determined under a specified alternate method, in total NOx emissions each summer from all electric generating facilities located in other counties. Northwestern counties would include Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Douglas, Dunn, Eau Claire, Iron, Jackson, La Crosse, Monroe, Pepin, Pierce, Polk, Price, Rusk, Sawyer, St. Croix, Taylor, Trempealeau, Vernon and Washburn counties. DNR would be required to issue emissions allowances in a number that is sufficient to allow the emissions specified above. DNR would not be allowed to require reductions of NOx emissions that are in addition to those reductions required in a state implementation plan from any stationary source located in the state that is not an electric generating facility owned by a public utility or electric cooperative or any mobile source.

DNR would use a specified alternate method to determine the amount of NOx emissions reductions if DNR implements a state implementation plan in a manner that requires reductions in NOx emissions that are lower than the reductions set forth in the call for control of atmospheric ozone in another state that was published by EPA on October 27, 1998. The

method would require DNR to: (a) determine the amounts by which the number of tons specified in (a), (b) and (c) of the preceding paragraph shall be increased to reflect the lower reductions; (b) take action that is necessary to relax any related emissions control requirements in a manner that reflects the lower reductions; (c) determine the amount by which the \$2,400,000 in assessments under PSC for a newly created air quality improvement program and fund shall be decreased to reflect the lower reductions and provide notice of the decreased amount to PSC; and (d) determine the amount by which the \$2,500,000 that is deposited in the air quality improvement fund shall be decreased to reflect the lower reductions and provide notice of the decreased amount to DOA.

DNR shall ensure that at least 866 tons of total annual reductions in NO_x emissions required under the state implementation plan are achieved through the use of renewable energy, including renewable energy that is provided by electric providers, or by the implementation of low-income weatherization and energy conservation measures.

DNR shall establish or participate in a market-based trading program for the purchase, sale and transfer of NO_x emissions credits for use in any state implementation plan that requires reductions in NO_x emissions. To the extent allowed under federal law, DNR shall allow NO_x reductions by any source in the state, regardless of whether the source is subject to NO_x controls under a state implementation plan, to be purchased, sold or transferred under the trading program.

Air Quality Improvement Fund and Program. Create a nonlapsible segregated air quality improvement fund. Contingent upon DNR notification of implementation of a new state implementation plan (described above), require PSC to assess new fees and DOA to redirect public benefit fees and implement a new air quality improvement program.

Financing the Fund. DOA shall deposit into the air quality improvement fund up to \$2,500,000 in each fiscal year from fees collected for public benefits. The deposits shall continue for a 10-year period that commences July 1 of the fiscal year ending before the initial date DNR requires utilities in the midcontinent area of the state to comply with initial NO_x emission reductions. A lesser amount may be deposited if DNR determines that lower NO_x emissions reductions are required.

In addition, the PSC shall assess up to \$2,400,000 annually against electric public utility affiliates to be deposited into the air quality improvement fund. A lesser amount may be deposited if DNR determines that lower NO_x emissions reductions are required.

Awarding Grants. Create a new continuing segregated appropriation in DOA to award grants to public utilities or electric cooperatives that generate electricity in the mid-continent area to reduce nitrogen oxide emissions pursuant to the state implementation plan specified above. DOA is directed to promulgate rules for awarding grants. No public utility may receive more than \$500,000 per year in grants and all applicants are required to identify the reduction in

NOx emissions that are achievable with the grant. Grant recipients are authorized to assign the grant to a third party if the third party uses the grant for the purpose of reducing nitrogen oxide emissions and the original grant recipient can demonstrate to the satisfaction of DOA that the third party is capable of achieving the reduction in NOx identified in the application.

Employe protections. Extend the employe protections to employes of public utilities and electric cooperatives, in addition to employes of nonutility affiliates and holding company systems. Also, require the transmission company to offer employment to the nonsupervisory employes that are employed with the energy unit immediately prior to the transfer to the transmission company if the nonsupervisory employes are necessary for the operation and maintenance of the energy unit. Further, provide that PSC review and determination of compliance with employe protections as a condition of the sale of an energy unit by a transmission utility to the transmission company is not required.

Horizontal market power study. Expand the study of the potential of horizontal market power to frustrate the creation of an effectively competitive retail electricity market to include the effect on retail and wholesale electric cooperative workers, members and rates.

Market-based rates. Clarify that the customer shall assume the additional risk generated from market-based rates and contracts that are required to be developed by investor-owned utilities.

PSC investigations of certain holding companies. Provide an exemption for nonutility affiliates of a holding company that were nonutility affiliates of a holding company that was formed prior to November 28, 1985 [WICOR] from required periodic PSC investigations and reporting requirements regarding the utility related business activities of the nonutility affiliate and the holding company.

New Limits on Electric Utility and Non-Utility Affiliates Real Estate Related Activities

Prohibit public utilities or non-utility affiliates from engaging in the following real estate activities: (a) real estate practice; (b) residential real estate development; (c) property management for a third party; or (d) residential or commercial construction.

The prohibition on real estate activities would not prohibit a public utility or non-utility affiliate from doing any of the following: (a) repairing, maintaining, installing or constructing a structure that is owned or used by or for a public utility or nonutility affiliate or their customers if related to furnishing heat, light; water or power to the customer; (b) engaging in construction that is specifically related to the evaluation, control, or remediation of hazardous substances; solid, liquid or gaseous wastes; soils; air or water; (c) engaging in any construction performed in order to comply with federal, state or local environmental laws, regulations, orders or rules; (d) consulting or making other financial or business arrangements with one or more third parties who engage in commercial construction; (e) consulting or making other financial or business

arrangements with one or more 3rd parties who will engage in residential construction or residential real estate development, except that if a public utility or nonutility affiliate contracts for the development of more than one residential construction project or residential real estate development, the public utility or nonutility affiliate may not enter into an exclusive arrangement with a 3rd party for all such residential construction or residential real estate development; (f) acquiring or disposing of property or interests in property if the transaction is related to the operation of a public utility and the transaction is conducted under contract with a third party real estate practice or by an individual engaged in a real estate practice or employed by a public utility; (g) owning a passively-held real estate company; and (h) engaging in residential real estate development at a brownfields facility or site.

Provide an exception from the real estate activity restrictions for any nonutility affiliate that has engaged in residential construction prior to, or is engaged in residential construction on, the effective date of this provision.

Require that any public utility or non-utility affiliate that does, causes, or permits to be done any prohibited real estate activity, or fails to comply with any requirements is liable to any person injured by that action in the amount of damages sustained in consequence of the prohibited action or failure to comply.

Taxes

Gross Revenues License Fees. Specify that "gross revenues" for the purpose of determining the gross revenues license fee on light, heat and power companies and electric cooperatives would exclude the following items (as defined under these provisions): (a) public benefits fees collected by an electric utility or retail electric cooperative; (b) grants awarded to a generator public utility or to an electric cooperative under the air quality improvement program; (c) public benefits fees received by a wholesale supplier from a municipal utility or retail electric cooperative or under a joint commitment to community program; and (d) public benefits fees received by a municipal utility or a retail electric cooperative from a municipal utility or retail electric cooperative under a joint commitment to community program.

Real Estate Transfer Fee. Provide an exemption from the real estate transfer fee for a conveyance to the transmission company of real property transmission facilities or land rights in exchange for securities.

Sales Tax. Provide a sales tax exemption for the transfer to the transmission company of transmission facilities (that are on land not owned by the transferor) that are made after the transmission company is organized in exchange for an equity interest in the transmission company. Under current law, such transfers would be subject to the sales tax, while transfers similar in every way except that they occurred as part of the organization of the transmission company would not be subject to the tax.

In addition, provide a sales tax exemption for the gross receipts from the collection of public benefits fees by electric utilities and retail electric cooperatives.

3. DISPUTES OVER RAILROAD RIGHT OF WAY USAGE BY SEWER SYSTEMS

Assembly: No change to Joint Finance.

Senate/Conference Committee: Authorize the PSC to intervene to resolve disputes between sewer systems operators and railroads over the cost of using railroad right-of-way in the same manner the PSC intervenes in disputes over the use of right of way between railroads and public utilities, telecommunication providers or cable operators. Define sewer system operators as municipalities, town sanitary district commissions, cities, villages, a metropolitan sewerage district commission, or a public inland lake protection and rehabilitation district which operate a sewerage system.

Under current law, if there is a dispute over the use of right of way between railroads and public utilities, telecommunication providers or cable operators, the PSC may intervene under certain circumstances. If the PSC finds that public convenience and necessity or the provision of reasonably adequate service requires that a public utility, telecommunications provider or cable operator should be permitted to use the right-of-way of any railroad, or requires that the tracks of any railroad be extended on, over or under the right-of-way of any public utility, telecommunications provider or cable operator, the PSC may order such an extension. The PSC may only make such an order if it will not materially impair the ability of the railroad, telecommunications provider, cable operator or public utility whose right-of-way the extension would be made to serve the public. Under current law, the PSC prescribes the conditions and compensation that the PSC deems equitable and reasonable in light of all the circumstances.

4. ESTABLISH PSC REGULATORY AUTHORITY OVER HOSPITALS

Assembly/Conference Committee: No change to Joint Finance.

Senate: Require the PSC to promulgate rules regulating rate setting for hospitals based upon a price cap methodology that would set maximum rates that a hospital may charge for services. Define price cap to mean the maximum rate that may be charged for a service and that includes any allowable increase in the maximum rate that is based on increases in the consumer price index. Hospitals that would be subject to PSC regulation would be any facility for the diagnosis, treatment of and medical or surgical care for three or more patients. This would include those hospital facilities that provide a limited type of medical or surgical care, including orthopedic hospitals, children's hospitals, critical access hospitals, mental hospitals, psychiatric hospitals or maternity hospitals. Centers for the developmentally disabled would be exempt.

Funding and Assessments. Create an annual PR appropriation to fund the hospital rate price caps activities of the PSC but do not provide any expenditure authority. Authorize the PSC to assess hospitals for the estimated amount of revenue necessary to fund PSC administration of the regulation of hospital rates during a fiscal year. The assessments would be in proportion to each hospital's respective net income during the hospital's most recently concluded fiscal year. Prohibit the PSC from making an assessment on any hospital that had a net income increase of 3% or less over the net income for the hospital's next most recently concluded fiscal year. Require the PSC to make an initial assessment for the 1999-00 fiscal year and to submit a request for funding to the Finance Committee by December 1, 1999, under s. 16.515. In following fiscal years, each hospital would have to be assessed within 90 days of the start of the fiscal year and would have to pay the assessment by December 1, following the assessment.

Rulemaking. In promulgating rules establishing price caps for hospital rates, require the PSC to consider the following when promulgating rules regarding rates: (a) the need to reduce the rate of hospital cost increases while preserving the quality of health care in all parts of the state; (b) cost-related trend factors based on nationally recognized economic models; and (c) the past budget and rate experience of the hospital.

Further, require that the rules include requirements and procedures for hospitals to provide the PSC with information that the PSC determines is necessary to carry out its duties and for hospitals to notify the PSC and patients of rates charged and any increases or decreases in rates. Provide that the rules shall also include requirements and procedures for the PSC to regularly review and, if necessary, revise the price caps established by the PSC. The rules could also include any of the following: (a) exceptions from price caps for rural or teaching hospitals if the PSC determines such hospitals are subject to special circumstances that warrant an exception; and (b) a uniform system to make reports to the PSC if the PSC determines that such a system is necessary.

Require the PSC to submit these proposed rules to the Legislative Council staff for review no later than July 1, 2000. Provide that these rules may not take effect before January 1, 2001.

In addition, provide that the PSC may establish a system that defines rates as aggregated charges based on patient case mix measurements if the PSC meets the following requirements: (a) submits its proposed system to the Joint Committee on Finance for approval; and (b) holds a hearing prior to promulgating rules for such a system. Provide that such a system could not take effect prior to January 1, 2001 and would have to ensure the quality of care at a reasonable cost to patients.

Prohibit the PSC, in establishing hospital rate price caps, from doing any of the following: (a) interfering directly in the personal of decision -making relationship between a patient and the patients physician; (b) restricting the freedom of patients to receive care at a hospital consistent with their religious preferences or request a hospital that is affiliated with a religious group to act in a manner contrary to the mission and philosophy of the religious group; (c)

restricting directly the freedom of hospitals to exercise management decisions in complying with the price caps; (d) require the submission of unrelated financial data from religious groups affiliated with a hospital.

Enforcement. Authorize the Commission to seek judicial remedy to enforce compliance with the hospital rate price caps and with any rule or order of the PSC related to such rate caps if it first notifies the hospital and provides the hospital a reasonable time to correct a violation. Specify that the PSC shall commence any action in the circuit court for the county in which the hospital is located. Stipulate that a court may impose a forfeiture of up to \$5,000 per violation and that each week constitutes a separate violation. Authorize any court with jurisdiction to adopt additional remedies that it finds necessary to enforce compliance.

REGULATION AND LICENSING

1. LICENSURE OF ATHLETIC TRAINERS

Assembly/Conference Committee: *Creation of Board.* Create a six-member Athletic Trainers Affiliated Credentialing Board, attached to the Medical Examining Board, to provide for the licensure of athletic trainers. Provide that Board members shall consist of four members who are licensed as athletic trainers, one member who is licensed to practice medicine and surgery and has experience with athletic training and sports medicine, and one public member.

	Chg. to JFC
GPR-REV	\$2,100
PR-REV	\$18,400

Board duties. Require the Board to: (a) maintain a list of licensed athletic trainers and provide the list to persons requesting a copy; (b) develop a form for the recording practice protocols; (c) establish the minimum amount of liability insurance or surety bonding which a licensee must have; and (d) with the Medical Examining Board, jointly promulgate rules for the required practice protocols.

Definition of athletic training and athletic trainer. Define an athletic trainer as an individual who engages in athletic training. Define athletic training as doing any of the following activities: (a) preventing, recognizing and evaluating athletic injuries; (b) managing and administering the initial treatment of athletic injuries; (c) giving emergency care or first-aid for an athletic injury; or (d) rehabilitating and physically reconditioning athletic injuries.

Title protection. Restrict the use of the title of athletic trainer, licensed athletic trainer, certified athletic trainer and registered athletic trainer in this state to persons licensed by the Athletic Trainers Affiliated Credentialing Board.

Requirements for licensure. Specify that the Board shall grant a license to a person who does all of the following: (a) files an application; (b) pays the application fee; (c) submits satisfactory evidence that he or she does not have a criminal record or a history of alcohol or other drug abuse; (d) submits evidence that he or she has received a baccalaureate degree; (e) submits evidence of meeting the requirements for certification established by the National Athletic Trainers Association Board for Certification and has passed the examination by that Board; (f) provides information regarding prior licensure in other states or countries; and (g) passes a state examination unless the Board chooses not to require a separate state exam for licensure. Provisions would also be made for temporary one- and two-year licenses.

License renewal. Provide that, to renew a license, a licensee would have to meet the following requirements: (a) complete 30 credit hours of continuing education within the preceding two years; (b) maintain current certification in cardiopulmonary resuscitation; and (c) provide proof of liability insurance. Provide for a renewal fee of \$41.

Exemptions from licensure requirement. Specify that the following are exempted from any licensure requirement: (a) any person already licensed in a different profession acting in that capacity as long as they do not represent themselves as an athletic trainer; (b) an athletic training student; and (c) an athletic trainer who is in this state temporarily participating in a specific athletic event or series of events and is licensed as an athletic trainer by another state or national organization.

Practice requirements. Specify that licensed athletic trainers must meet the following practice requirements: (a) establish and use an evaluation and treatment protocol that is approved by a consulting chiropractor or physician; (b) notify the consulting chiropractor or physician as soon as possible after a person being treated by the athletic trainer sustains new injuries; (c) keep a copy of the protocol at his or her place of employment at all times; and (d) update the protocol within 30 days after the renewal date of July 10th of each even-numbered year. Further, provide that a licensed athletic trainer may also do any of the following: (a) monitor the general behavior and general physical response of a person to treatment and rehabilitation; (b) suggest modifications in treatment or rehabilitation to the consulting chiropractor or physician or other health care provider who is providing treatment to an injured person; and (c) develop and administer an athletic training program for a person.

Enforcement. Authorize the Board to undertake disciplinary investigations and conduct hearings. Provide that the Board may reprimand a licensee, deny, limit, suspend, or revoke a license and impose a forfeiture of not more than \$10,000 for each violation of this new statute or any rules promulgated by the Board. Authorize the Board, the Department, the Attorney General or the district attorney of the appropriate county to investigate and bring action in the name and on behalf of the state. Specify that any person who violates these provisions may be fined not more than \$10,000 or imprisoned for not more than nine months.

Effective date. Provide that the new licensure provisions would take effect on the first day of the 13th month after the date of publication of the budget bill.

Fiscal effect. Estimate in 2000-01 increased PR revenues of \$18,400 and increased GPR-Earned of \$2,100.

Senate: No change to Joint Finance.

2. REQUIREMENTS FOR SALE OF FUNERAL GOODS AND SERVICES

Assembly/Senate/Conference Committee: Require that anyone who sells, or offers for sale, caskets, outer burial containers, or cemetery merchandise (defined as goods associated with the burial of human remains including monuments, markers, nameplates, vases and urns and any services associated with supplying those goods or with the burial of human remains) must do all of the following: (a) provide a price list and description for each type of casket, outer burial container or cemetery merchandise item that the person normally offers for sale without special ordering, along with the name, address and telephone number for the person's place of business and the effective date of the price list; (b) provide a price and description of : (1) any direct cremation or burial service offered by the person; (2) any service offered by the person for the use of any facilities, equipment or staff related to a viewing, funeral ceremony or memorial or graveside service; and (3) any basic service fee charged; (c) require the seller, upon completion of the sale, to provide the buyer with a receipt that includes the specific charges for merchandise and services provided; (d) prohibit the seller from providing misinformation regarding state, federal, local or individual cemetery burial requirements or from requiring an additional payment if a casket, outer burial container or cemetery merchandise is obtained from a third party; and (e) require the seller to retain copies of price information and sales receipts for one year and make these documents available to R&L upon request. Also, provide that any person who violates these provisions may be fined not more than \$1,000 or imprisoned for not more than six months or both. Provide that these requirements would first apply to sales or offers to sell that are made after the effective date of the budget bill.

3. REGULATION OF REAL ESTATE BROKERS

Assembly: Require the Department to promulgate rules that specify the responsibility and supervision requirements for brokers over the actions of their employees. Under current law, a broker is liable for the acts of his or her employees. This provision would require R&L to promulgate rules that define the level of supervision that a broker is required to provide to his or her sales agents and the most appropriate means for a broker to fulfill such requirements.

Senate/Conference Committee: No change to Joint Finance.

4. CEMETERY SITING EXEMPTION FOR CERTAIN PRIVATE MILITARY ACADEMIES

Assembly/Conference Committee: Authorize any private military academy that provides an educational program for grades 7 through 12 in a fourth class city to establish a private cemetery within the city on land owned by the military academy if the common council of the city consents. Specify that no mausoleum within such a cemetery may exceed 3,500 square feet in area. This authorization would exempt any qualifying private military academy from current restrictions on cemetery locations such as minimum distances from houses and other buildings. The authorization is specifically created to allow the construction of a columbarium at the St. John's Northwestern Military Academy in Delafield, although other private military academies that meet the requirements would also qualify for the exemption.

Senate: No change to Joint Finance.

STATE TREASURER

1. UNCLAIMED PROPERTY ACT CHANGES

Assembly/Conference Committee: Restore the Governor's recommendation, which was deleted by Joint Finance, that would revise the current definition of "intangible property" subject to the provisions of the Unclaimed Property Act (Chapter 177 of the statutes) to specifically exclude a credit balance issued to a commercial customer account by a business association in the ordinary course of business. This exclusion would not apply to commercial credit balances deemed to be demand, savings or matured time deposits, ownership shares or mutual investment certificates (including associated interest and dividends on any of the foregoing) that are deposited at a banking or financial institution. These provisions would first apply to credit balances issued by a business association on and after January 1, 1998.

Under current law, certain types of intangible property are presumed abandoned under the state's Unclaimed Property Act unless the owner of the property takes steps to show ownership within specified periods of time (ranging from five to 15 years, depending on the type of intangible property). When the property is deemed abandoned, the holder of the property must report and deliver it to the State Treasurer. Under this proposed change, a vendor that had issued a credit balance on a commercial account would no longer have to report and deliver to the State Treasurer such an abandoned sales credit.

Senate: No change to Joint Finance.

VETERANS AFFAIRS

1. STAFF RECLASSIFICATIONS

Assembly/Conference Committee: Authorize the Department to request additional salary and fringe benefit funding from the Joint Committee on Finance under a 14-day passive review process following a classification survey by the Department of Employee Relations regarding the reclassification of 23 DVA central office staff who are involved in processing veteran loans and grants. Provide that if DVA requests supplemental funds, the supplementary request must include a plan for the expenditure of not to exceed more than \$159,600 SEG for fiscal year 1999-00 and not more than \$164,400 SEG in 2000-01.

Senate: No change to Joint Finance.

2. VETERANS MUSEUM INTEGRATION

Assembly: No change to Joint Finance.

Senate/Conference Committee: Modify Joint Finance provision to add \$108,500 GPR in 1999-00 and \$130,300 GPR in 2000-01 and 2.5 GPR positions and delete \$108,500 SEG in 1999-00 and \$130,300 SEG and 2.5 SEG positions to fund the integration of the Wisconsin Veterans Museum in Madison and the Wisconsin National Guard Museum at Volk Field entirely from GPR. The SEG funding would have come from the veterans trust fund. The Governor’s budget proposal was to fund the museum integration entirely from the veterans trust fund. The Joint Committee on Finance modified the Governor’s recommendation to fund a portion of the request, for space-related costs, from GPR. The Department’s request was to fund the integration entirely from GPR.

	Chg. to JFC Funding Positions	
GPR	\$238,800	2.50
SEG	<u>- 238,800</u>	<u>- 2.50</u>
Total	\$0	0.00

3. ADDITIONAL MUSEUM CURATOR

Assembly: No change to Joint Finance.

Senate/Conference Committee: Restore the additional curator position deleted by Joint Finance and provide \$37,200 in 1999-00 and \$39,800 in 2000-01 and 1.0 curator position for the purpose of managing the historical artifacts collections of the Wisconsin Veterans Museum. The museum in Madison currently has one curator and the Joint Committee on Finance approved an additional curator position for the Museum. In

	Chg. to JFC Funding Positions	
SEG	\$77,000	1.00

addition, in connection with the separate proposal to integrate the operation of DMA museum at Volk Field with the DVA museum in Madison, the Committee approved 1.5 of the 2.5 additional curator position originally requested by DVA. This provision would restore the additional curator position requested by the Department. Funding for this position would come from the veterans trust fund.