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June 29, 2009

**MEMO**

TO: Chief Doug Pettit  
FROM: Alice O'Connor  
DATE: June 26, 2009

RE: Summary of Wisconsin Chiefs of Police Association Budget Issues contained in the Conference Committee report that will be forwarded to Governor Doyle sometime this weekend.

What follows is a brief narrative of wins, losses and items of interest to Chiefs. Some issues we were heavily involved in, others we were not but we had an interest in the policy outcome and how it might affect Police Departments and law enforcement in general. There are also several items that Chiefs weighed in but the political compromises along the way resulted in mixed opinions about what will actually be achieved with some policy items that the governor is likely to sign as a part of AB 75, his budget bill. The bill is likely to reach his desk by Monday. He will have to sign or veto portions of it before Tuesday, June 30, 2009, before midnight in order to avoid losing millions of dollars in federal money for a number of state agencies.

**SUCCESSSES**

- **ACTUARY RETIREMENT STUDY:** Obtained \$5,000 Actuary Study by the Wisconsin Dept of Employee Trust Funds that must be done before July 1, 2010. This study is the first step to document the retirement inequity in the Wisconsin Retirement System for all those in protective services who are currently at 65 percent of final average earnings as compared to all other government and public sector employees who receive 70 percent of final average earnings and firefighters who receive 85 percent. Even though we know the cost to change this disparity for law enforcement who might currently be eligible is approximately \$5 million, a formal study is needed. Next steps will then be to pursue a legislative remedy when the state returns to stronger fiscal solvency in a few years. We might also set the stage for possible corrective language in the next biennial budget bill.

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- **DEPT of JUSTICE**
  - Helped DOJ to restore 5 percent cut (\$2.7 Million) that would have mostly hurt rural law enforcement agencies.
- **DEPT OF TRANSPORTATION**
- **SINGLE LICENSE PLATE:** Defeated Governor's recommendation that state remove the two plate requirement to one plate and also eliminate the registration sticker requirement. We are staying with current law.
- **ACCIDENT RECONSTRUCTION CHARGES:** Defeated Governor's recommendation for state patrol to charge local law enforcement agencies for accident reconstruction services by having it removed from the budget bill. Stay with current law.
- **MANDATORY SEAT BELT ENFORCEMENT:** Supported mandatory seat belt law however the conference committee position is that this provision will be deleted if the budget bill is not signed by June 30, 2009 and Wisconsin loses \$15 million dollars in federal funds as a result.

The fine for noncompliance was reduced to \$10 which many in law enforcement feel is too low to incentivize compliance.

#### **MIXED**

- **DRIVER CARD FOR ILLEGAL IMMIGRANTS-**Conference Committee deleted provision that authorized DOT to issue alternative driving cards for undocumented immigrants and immigrants whose immigration cases are pending. The driver cards would have applied to persons who are unable to provide documentary proof of legal status but who otherwise qualify for driver's licenses.
- **DATA COLLECTION FOR RACIAL PROFILING:**  
Statewide mandatory data collection for all traffic stops made after January 1, 2011 by law enforcement that must capture a variety of information including race of the operator of the motor vehicle.  
The Office of Justice Assistance will be in charge of compiling the collected data. A tremendous amount of detail as to how, what and when this data

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collection effort and subsequent reports will all occur, will be developed by administrative rule. While there is no money per se allotted to compile this report, the assumption is that during the administrative rule making process, these details will be sorted out.

- **AG- PUBLIC DEFENDERS AND ADA'S:** Beginning in 2010-2011 the AG "may" but does not have to transfer up to \$1 million annually to fund the District Attorney Program (DA) and the Office of the State Public defender (SPD) to provide increased compensation for Assistant DA's and assistant Public Defenders. Conference Committee took Assembly position and made one change allowing the Attorney General to decide in the second year of the biennium if he wants to use \$1 million to retain DA's. Money is not to be used for new hires. (about a \$1500 raise per ADA per year)
- **PUBLIC SERVICE COMMISSION - 911 SURCHARGES (CAN BE ON ANYTHING THAT CAN DIAL 911)**
- Current countywide 911 System is deleted by July 1, 2011 and the Public Service Commission (PSC) takes over creating a grant program with authority to impose monthly surcharges on all communication subscriber bills.
- A new 75 cents per month charge will apply to any mode of communication that can dial 911. This will include land lines, cell phones, active retail voice communication services, voice-over internet connections, burglar alarm's, etc. Anything that can dial 911 will be assessed 75 cents per month per unit.
- For two years, the fee will fund two things--a newly created Police and Fire Protection Fund so fire and law enforcement services do not face budget reductions from state budget cuts in shared revenue to local units of government (between 3 and 14 percent cuts). The surcharge will fund into perpetuity the funding of countywide 911 systems. (Police and Fire will capture about \$5 million per year for next two years to be used solely for the segregated Police and Fire Protection Fund.)
- 75 cents per line or service up to ten individual connections assigned to one provider before one additional fee is added for each ten additional connections per billed account.
- Bills will specify on statements that 75 cents funds "countywide 911 systems plus Police and Fire Protection Fee." The separate police and fire protection

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fund fee gets deleted at the end of the 2009-2011 biennium. Then the statement will change to read that the surcharge funds "911 system funding."

- Devices would be excluded if they are a part of a prepaid wireless telecommunications plan. But instead, the surcharge would be imposed on the seller to collect from the consumer. The seller of wireless plans would assume the liability to provide the dollars collected from the consumer to the state.
- The PSC will develop administrative rules to establish requirements and procedures for auditing sellers to determine compliance with their requirements and also grant appeals rights. The procedures will reflect procedures used by the state for general sales and use taxes.
- PSC will have authority to reduce the 75 cent surcharge if it believes the rate produces excess revenues in amount needed to fund viable 911 countywide systems or increase the monthly rate charges, if more is needed. Any rate increases will take place January 1 each year, with customers notified in the prior October.
- Service providers will have to remit payments to the PSC monthly.
- **Creation of a new 911 Advisory Council**
  - PSC will appoint council members to help advise the PSC how to administer the grant program, any related administrative rules and anything else related to 911.
  - Council will consist of individuals recommended by the League of Wisconsin Municipalities, WI Counties Association, Wisconsin Chapter of National Emergency; WI Chiefs of Police Association, Badger State Sheriffs Association; WI Assn of Public Safety Communications Officials; WI State Telecommunications Association ; WI Fire Chiefs; the Cable Industry State Emergency Management Association and WI Emergency Medical Services Association.
  - Terms three year staggered.
- **A new 911 coordinator state job is created.**
- **PSC Grants-**PSC will award grants to reimburse service providers and local governments for costs previously approved by the PSC to comply with requirements of enhanced 911 services.
  - Cost will include things like design, upgrades, purchase, lease, program and installation testing or maintaining all necessary data hardware and software required to provide an enhanced 911 service delivery system.

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- If a county didn't have a 911 service on November 30, 2008, one local government operating a public safety answering point in each county will become eligible for grants if that point is the primary public safety answering point in the county.
- Grants would have to be submitted annually.
- County and municipal aid funding from Police and Fire Protection Fund (from 911 user segregated fee for next two years) ensures law enforcement budgets are not cut.
- One time Capitol expenditures will be excluded from maintenance of efforts requirements under shared revenue caps if Dept of Revenue needs to ensure level of service for emergency services has not been compromised.
- Police and fire expenditures will be allowed a 3 percent inflation factor (as opposed to zero percent increase) for the municipal services aid payment plan beginning in 2009 rather than deferring to 2010.

#### **ITEMS OF INTEREST**

- **CRIME VICTIM AND WITNESS ASSISTANCE SURCHARGE:**  
Effective July 20, 2011, the first \$20 of each \$27 Part B crime victim and witness assistance surcharge will be allocated for grants for sexual assault victim services. The rest will be allocated to the county victim and witness assistance program.
- **COURTS:**  
A person will be eligible to have their conviction record expunged if it is a first time felony conviction and either a Class H ( non violent or misdemeanor with a maximum sentence of three years confinement and three years of extended supervision) or Class I, a maximum of 18 months confinement and two years extended supervision ) felony.
- **DL SUSPENSION:** Eliminate JFC provision that would have reduced the maximum period of driver's license suspension for failure to pay traffic forfeiture from two years to 90 days. Stay with current law.
- **CORRECTIONS**

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- Modify sentence and extended supervision charges to exclude anyone with offenses related to school safety, violations to ethical government, offenses against elderly and vulnerable persons, strangulation and suffocation, discharge of a firearm in a school zone, physical abuse of a child, human trafficking, stalking, contributing to the delinquency of a minor that results in the death of a minor, and any felony murder offenses and battery. This would first take effect Oct 1, 2009.
- Maintain current law related to GPS tracking and deleted passive positioning provisions
- **DISTRICT ATTORNEYS:** Additional assessments from public utilities will pay for salaries and fringe benefits for district attorney offices. (Estimated \$9 million.) Create new segregated fund for this “public benefits fund.” In 2011-2011 budget bills, require Dept of Administration to consider base level funding for DA at \$9 million higher than current amounts.
- **GENERAL PROVISIONS:** A discharged or fired Milwaukee police officer will no longer receive pay and benefits during their appeals process.

This memo addresses the key items for law enforcement contained into budget bill that will be sent to Governor Doyle for his signature after the Assembly gives its’ rubber stamp yet this evening . The Conference Committee Report was approved last night in the state Senate on a vote of 17-15. (Sen. Jim Sullivan-- D-Wauwatosa-- and 14 Republicans voted against the bill; Sen. Alan Lasee was absent.)

If you have any additional questions please feel free to give me a call.

**FINAL CONFERENCE COMMITTEE**  
**June 25, 2009**  
**CHIEFS**

**ADMINISTRATION**

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**3. DIVISION OF LEGAL SERVICES**

**Assembly/Conference Committee:** No change to Joint Finance.

**Senate:** Delete the creation of a Division of Legal Services in the Department of Administration (DOA). Delete \$787,000 PR and 6.0 PR attorney positions and 2.0 PR support staff positions in the DOA. Transfer funding from salaries and fringe benefits to supplies and services, and restore 2.0 GPR, 5.0 PR and 1.0 SEG classified positions in state agencies as follows: (a) 1.0 PR attorney position in the Public Service Commission; (b) 1.0 SEG attorney position in the Department of Transportation; (c) 1.0 PR attorney position in the Department of Financial Institutions; (d) 1.0 GPR attorney position and 1.0 GPR support staff position in the Department of Revenue; and (e) 2.0 PR attorney positions and 1.0 PR support staff position in the Department of Regulation and Licensing.

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**5. GRANT TO RESTORATIVE JUSTICE PROGRAMS, INC.**

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

**Senate:** No change to Joint Finance.

**CIRCUIT COURTS**

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**1. EXPUNGING RECORD OF CONVICTION**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Specify that, for eligible Class H to I felonies, the expungement of records provision only applies to first-time felony convictions.

Under the Joint Finance provision, current law would be modified to provide that a person is eligible to have his or her record of conviction expunged if: (a) the person was under the age of 25 at the time of the commission of the offense; and (b) the offense was a misdemeanor or non-violent Class H (a maximum sentence of three years confinement and three years extended supervision) or Class I (a maximum sentence of 18 months confinement and two years extended supervision) felony. The modifications would apply to sentencing orders that occur on the effective date of the subsection.

Under the Joint Finance provision, Class H or I felonies that would be ineligible for expungement are the same offenses defined as "violent offenses" for the purposes of the intensive sanctions program, and would include: (a) battery, substantial battery, aggravated battery; (b) battery to an unborn child, substantial battery to an unborn child, aggravated battery to an unborn child; (c) battery by prisoners; (d) battery by certain committed persons; (e) battery to law enforcement officers, fire fighters, and commission wardens; (f) battery to probation, extended supervision, and parole agents and aftercare agents; (g) battery to jurors; (h) battery to emergency medical care providers; (i) battery or threat to witnesses; (j) battery or threat to a judge; (k) abuse or neglect of patients and residents; (l) battery by person subject to certain injunctions; (m) battery to public officers; (n) battery to technical college district or school district officers and employees; (o) battery to public transit vehicle operator, driver, or passenger; (p) abuse of residents of penal facilities; (q) machine guns and other weapons; (r) tampering with household products; (s) arson with intent to defraud; (t) Molotov cocktails; (u) threats to injure or accuse of crime; (v) damage to property; (w) damage or threat to property of witness; (x) criminal damage, threat, property of judge; and (y) physical abuse of child. The Joint Finance provision also includes: (a) physical abuse of a child (intentionally causing bodily harm); (b) physical abuse of a child (recklessly causing bodily harm to a child by conduct which creates a high probability of great bodily harm); (c) sexual assault of a child by a school staff person or a person who works or volunteers with children; (d) stalking (if the defendant intentionally gains access to certain records in order to facilitate the violation or if the defendant has prior stalking or harassment conviction); and (e) concealing the death of a child.

Under current law, the sentencing court may order that the record be expunged upon successful completion of the sentence, if the person was under the age of 21 at the time of the commission of the offense, and the offense for which the person was found guilty was a misdemeanor.

## **CORRECTIONS**

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#### **1. MODIFICATIONS TO SENTENCE ADJUSTMENT AND EXTENDED SUPERVISION DISCHARGE**

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

- a. Provisions regarding "offenses related to school safety;"
- c. Provisions regarding "offenses related to ethical government" violations;
- d. Provisions regarding "offenses against elderly and vulnerable persons;"
- e. Felony murder (940.03);
- f. Kidnapping (940.31);

- g. Physical abuse of a child that causes great bodily harm to a child (948.03(2)(a));
- h. Second-degree reckless homicide (940.06);
- i. Human trafficking (940.302);
- j. Contributing to the delinquency of a minor that causes death of the minor (948.40(4)(a));
- k. Stalking involving bodily harm to a victim or if the offender used a weapon (940.32(3));
- l. Mutilating a corpse (940.11(1));
- m. Strangulation or suffocation (940.235(1));
- n. Disarming a peace officer (941.21); and
- o. Sex offender tampering with GPS monitoring device while on supervision (946.465).

Define "offenses related to school safety" to include the following offenses:

- a. Possession of a gun in a gun-free school zone (948.605(2)(a)); and
- b. Dangerous weapons other than firearms on school premises (948.61(2)(b)).

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

- a. Criminal violation of lobby law statutes (13.69(6m));
- b. Political influence violations of conduct standards and ethics codes for state and local public officials (19.58(1)(b)); and
- c. Misconduct in public office (946.12).

Define "offenses against elderly and vulnerable persons" to include the following offenses, if the offense caused death, great bodily harm, or bodily harm to the victim:

- a. Abuse of individuals at risk, intentional, reckless or negligent (940.285(2)); and
- b. Abuse of individuals at risk by person in chare of or employed in a facility or program, intentional, reckless and negligent (940.295(3)(b)).

Felony murder offenses include the following, if the offender causes the death of another human being while committing or attempting to commit the offense:

- a. Battery, substantial battery, aggravated battery (940.19);
- b. Battery, substantial battery, aggravated battery to unborn child (940.195);
- c. Battery: special circumstances (e.g. battery by prisoners) (940.20);
- d. Battery or threat to witnesses (940.201);
- e. Battery or threat to judge (940.203);
- f. First- or second-degree sexual assault (940.225(1) or (2)(a)) (Note: already excluded under Joint Finance);
- g. False imprisonment (940.30);
- h. Kidnapping (940.31);
- i. Arson of buildings, damage of property by explosives (943.02);
- j. Burglary (943.10(2));
- k. Operating vehicle without owner's consent (943.23(1g))
- l. Robbery (943.32(2))

**Conference Committee:** In addition to the Assembly/Senate provision, include the following to the list of offenses not eligible for sentence adjustment, risk reduction sentence,

and extended supervision discharge: (a) all strangulation and suffocation offenses (940.235, rather than 940.235(1)); and (b) discharge of a firearm in a school zone (948.605(3)) as an offense defined under "offenses related to school safety."

## **2. SENTENCE MODIFICATIONS**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Modify provisions related to sentencing as follows:

- Specify the positive adjustment time provision does not apply to persons sentenced for offenses committed on or after the effective date of the bill.  
General Government and Justice Page 23
- Related to revocation of extended supervision, require the Department of Corrections to promulgate administrative rules defining "substantial risk to public safety."
- Related to expansion of modification to bifurcated sentences, require that the Department notify the sentencing court within 90 days of release to extended supervision that the offender's sentence will be modified. If the sentencing court does not schedule a hearing within 30 days of receipt of the notice, the Department must release the inmate to extended supervision. If the court schedules a hearing relating to modification, it must hold the hearing and issue an order within 60 days of receiving the notification. At the hearing, the court may grant the modification, deny the modification or order the inmate to remain in confinement for a specified period of time that does not exceed the time remaining on the confinement portion of the original sentence based upon the inmate's conduct in prison, level of risk of reoffending as measured by a verified, objective instrument, or the nature of the offense for which the inmate was sentenced.
- Delete the provision that would allow Corrections to release an offender to extended supervision under a risk reduction sentence after he or she has served at least 67% of the term of confinement portion of the sentence for non-violent Class F to I felonies. As a result, under provisions of the substitute amendment, all offenders given a risk reduction sentence would serve at least 75% of the term of confinement portion of the sentence.

## **3. DELAYED EFFECTIVE DATE OF SENTENCING PROVISIONS**

**Conference Committee:** Delay the effective date of sentencing modification provisions (sentence adjustments (positive adjustment time), risk reduction sentences, revocation of extended supervision, and early discharge from extended supervision or probation) to take effect on October 1, 2009, or the 90<sup>th</sup> day after publication of the bill, whichever is later. This modification is intended to allow Corrections time to prepare for implementation of the various sentencing provisions.

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## **5. SEX OFFENDER MANAGEMENT**

**Conference Committee:** Maintain current law related to GPS tracking (delete passive positioning system provisions under Joint Finance). As a result, increase funding by \$46,500 GPR and \$2,400 PR in 2009-10 and \$60,300 GPR and \$3,100 PR in 2010-11.

## DISTRICT ATTORNEYS

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### **1. PUBLIC BENEFITS FEES FOR DISTRICT ATTORNEYS**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Include provision to specify that the additional public utility assessments for the public benefits fund be used for salaries and fringe benefits for district attorney offices rather than Wisconsin Works. Provide \$9,139,700 SEG annually and reduce funding by \$9,139,700 GPR annually for salaries and fringe benefits for district attorney offices. Create a new segregated salaries and fringe benefits appropriation funded from the public benefits fund. Delete this appropriation on June 30, 2011, and for the purposes of establishing the 2011-13 biennial budget, require the Department of Administration to consider base level funding for district attorneys as \$9,139,700 GPR higher than the amounts in the schedule.

Under Joint Finance, the Department of Administration would be required to ensure that electric utilities charge customers an additional \$9,139,700 SEG-REV annually for deposit into the public benefits fund for maintenance of effort in the Wisconsin Works program. The Department would include in its calculation of low-income assistance fees the collection of this additional amount. These additional fees would not be subject to the current caps, which specify that a customer may not be assessed more than the lesser of 3% or \$750 per monthly bill. The fee applies only for the 2009-11 biennium.

## EMPLOYEE TRUST FUNDS

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### **1. EMPLOYEE TRUST FUNDS ACTUARIAL STUDY**

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

**Senate/Conference Committee:** Identical provision as the Assembly, but funded under the Legislature.

## GENERAL PROVISIONS

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#### **4. PAYMENT OF A POLICE OFFICER'S SALARY AFTER DISCHARGE IN A FIRST CLASS CITY**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Modify the current law provision regarding payment of salary and benefits in a first class city to a member of the police force after the member has been discharged by permitting the municipality to discharge a member without pay or benefits during the appeal process. Repeal the current law provision providing that a member of the police force is not entitled to any salary or wages pending an appeal to the board of fire and police commissioners of the member's discharge or suspension if felony criminal or Class A or B misdemeanor charges are also pending against the officer, and if the charges arose out of the same conduct or incident that serves as the basis for the discharge or suspension.

Under current law, a member of the police force may not be discharged or suspended without pay or benefits until the discharge or suspension is disposed of by the board of fire and police commissioners or the time for appealing the discharge or suspension has passed, unless felony criminal or Class A or B misdemeanor charges are also pending against the officer, and if the charges arose out of the same conduct or incident that serves as the basis for the discharge or suspension. Under the provision, a police officer could be discharged without pay or benefits during the appeal process and any officer who is suspended would be provided pay and benefits during an appeal process.

### **JUSTICE**

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#### **1. AGENCY 5.135% BUDGET REDUCTIONS**

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

Fund Appropriation Base Annual Restoration

##### **Legal Services**

GPR General program operations \$14,120,100 \$725,100

GPR Special counsel 805,700 41,400

GPR Legal expenses 825,100 42,400

PR Environment litigation project 569,300 29,200

PR Interagency and intra-agency assistance 1,075,100 55,200

##### **Law Enforcement Services**

GPR General program operations \$17,049,100 \$875,500

GPR Officer training reimbursement 83,800 4,300

GPR Law enforcement community policing grants 250,000 12,800

PR Criminal history searches; fingerprint identification 4,650,500 238,800

PR Terminal charges 2,710,000 139,200

PR Interagency and intra-agency assistance 244,400 12,500

##### **Administrative Services**

GPR General program operations \$5,007,900 \$257,200

##### **Victims and Witnesses**

GPR General program operations \$1,144,300 \$58,800  
GPR Awards for victims of crimes 1,258,000 64,600  
GPR Reimbursement for victim and witness services 1,422,200 73,000  
GPR Reimbursement for forensic examinations 50,000 2,600  
PR Crime victim compensation services 52,300 2,700  
PR Crime victim restitution 300,000 15,400  
PR Victim compensation, inmate payments 10,900 600  
PR Interagency and intra-agency assistance;  
reimbursement to counties 508,300 26,100  
PR Victim payments, victim surcharge 488,800 25,100

**Senate:** No change to Joint Finance.

## **2. ASSISTANT DISTRICT ATTORNEY AND ASSISTANT STATE PUBLIC DEFENDER COMPENSATION**

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

**Senate:** No change to Joint Finance.

## **3. CRIME VICTIM AND WITNESS ASSISTANCE SURCHARGE**

**Assembly/Conference Committee:** Provide that, effective July 1, 2011, the first \$20 of each \$27 Part B crime victim and witness assistance surcharge be allocated for grants for sexual assault victim services. The remaining amounts collected under the Part B crime victim and witness assistance surcharge would be allocated for county victim and witness assistance programs and for crime victim compensation awards.

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

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

surcharge amounts are authorized to fund the sexual assault victim services grant program.

**Senate:** No change to Joint Finance.

## LEGISLATURE

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### **1. PROTECTIVE OCCUPATION NORMAL FORM ANNUITY ACTUARIAL STUDY**

**Assembly:** Identical provision as the Senate, but funded under Employee Trust Funds.

**Senate/Conference Committee:** Provide \$5,000 in 2009-10 to the Joint Legislative Council appropriation account for contractual studies and request the Joint Survey Committee on Retirement Systems to contract for an actuarial study of the impact on the Wisconsin Retirement System (WRS) of increasing the initial amount of the normal form annuity from 65% of final average earnings to 70% of final average earnings for protective occupation participants who receive social security benefits and to report its findings to the Legislature before July 1, 2010.

## PUBLIC SERVICE COMMISSION

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### **1. EFFECTIVE DATE FOR POLICE AND FIRE PROTECTION FEE**

**Conference Committee:** Modify the Joint Finance provision that establishes an effective date for the police and fire protection fee of October 1, 2009, or the first day of the third month beginning after the budget act's effective date, whichever is later, and instead, make the fee effective on September 1, 2009. Increase estimated revenues from the fee by \$5,000,000 SEG in 2009-10.

### **2. POLICE AND FIRE PROTECTION FEE MODIFICATIONS**

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

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

### **3. POLICE AND FIRE PROTECTION FEE -- SUNSET**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Modify the provisions in the Joint Finance substitute amendment regarding the police and fire protection fee by repealing the following provisions effective June 30, 2011: (a) the Public Service Commission (PSC) appropriation for administration of the fee; (b) investment of monies in the police and fire protection fund by the state investment board; (c) the police and fire protection fund; (d) treatment of the fee under the sales and use tax; and (e) imposition of the fee. These provisions sunset the fee and its related provisions at the end of the 2009-11 biennium.

#### **4. 911 GRANT PROGRAM AND SURCHARGE**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Repeal the funding mechanism for countywide 911 systems authorized under current law on July 1, 2011, create a 911 grant program administered by the Public Service Commission, and authorize a surcharge to provide program funding as follows:

*Basic Surcharge.* Impose a monthly surcharge on subscribers' bills based on the following provisions.

A monthly 911 surcharge would be imposed beginning on July 1, 2011. Initially, the surcharge would be set at a maximum of seventy-five cents or a lower amount set by the PSC, as described below. Service providers would be allowed to list the surcharge separately from other charges on the bill. Partial payments made by a subscriber would be applied first to the amount the subscriber owes the service provider for service.

*Surcharge for Subscribers of Prepaid Wireless Plans.* Exclude devices subject to prepaid wireless telecommunications plans from the preceding surcharge and instead base the surcharge for those devices on the following provisions.

The prepaid wireless 911 surcharge would be based on each retail transaction that occurs in this state. The rate of the surcharge per retail transaction would be one-half of the basic surcharge described above. The prepaid wireless 911 surcharge would be imposed by the seller on the consumer. Providers would be allowed to state the amount of the prepaid wireless 911 surcharge separately on an invoice, receipt, or other similar document that is provided to the consumer by the seller, or to otherwise disclose the surcharge to the consumer. The prepaid wireless 911 surcharge would be the liability of the consumer and not of the seller or of any provider, except that the seller would be liable to remit all prepaid wireless 911 surcharges that the seller collects from consumers, including all such surcharges that the seller would be deemed to collect where the amount of the surcharge is not separately stated on an invoice, receipt, or other similar document provided to the consumer by the seller. The PSC would be required to promulgate rules exempting certain transactions that are not considered to be a retail sales transaction under the state general sales and use tax from the surcharge. A retail transaction that is effected in person by a consumer at a business location of the seller would be treated as occurring in this state if that business location is in this state, and any other retail transaction would be treated as occurring in this state if the retail transaction is treated as occurring in this state under the state general sales and use tax. The prepaid wireless 911 surcharge could be the only 911 funding obligation imposed with respect to prepaid wireless telecommunications service in this state. The PSC would be required to promulgate rules establishing requirements and procedures for auditing sellers to determine compliance with the preceding provisions and granting appeal rights. Those procedures would reflect the

procedures used for the state general sales and use tax.

*Change in the Surcharge Amount.* Authorize changes in the surcharge amount based on the following procedures.

The PSC would be required to monitor the revenues and interest generated by the surcharge. If the PSC determines that the surcharge rate produces revenue in excess of the amount needed, the PSC would be required to reduce the rate. If the PSC determines that the surcharge rate produces revenue that is less than the amount needed, the PSC would be required to increase the rate. The PSC would be required to ensure that any adjustment to the rate would result in full cost recovery for grant recipients over a reasonable period. A change in the amount of the surcharge rate would become effective only on January 1 of each year. The PSC would be required to notify providers of a change in the rate no later than October 1 of the year before a change becomes effective. The maximum surcharge would be adjusted annually based on the change in the consumer price index for the Midwest region, U.S. Department of

Labor, for the month of August of the previous year and of the year before that year. Any change in the basic surcharge rate would also apply to the surcharge rate for prepaid wireless plans.

*Exemption from Sales and Use Tax.* The amount of the basic and prepaid wireless 911 surcharge collected from a consumer would not be included in the base for measuring the general sales and use tax imposed by this state or its political subdivisions.

*General Surcharge Provisions.* Require service providers to remit payments to the PSC on a monthly basis based on the following provisions.

Service providers and retailers would be required to remit collected surcharges to the PSC by the end of the calendar month following the month the provider received the charges from its subscribers. Providers would be allowed to deduct and retain an administrative allowance equal to the greater of 1% of the amount of the remitted surcharge or \$50 per month.

The PSC would be authorized to require service providers to report the amount of uncollected surcharges on an annual basis, or less frequently as the Commission determines. The PSC would be authorized to request the name, address, and telephone number of a subscriber who refuses to pay the 911 surcharge. Service providers would have no obligation to take any legal action to enforce the collection of the surcharge billed to a subscriber. The PSC would be authorized to initiate a collection action, which would include the recovery of reasonable costs and attorneys' fees associated with the action, against the subscriber.

*911 Fund.* Create a SEG fund called the 911 fund based on the following provisions.

With guidance from the 911 Advisory Council (described below), the PSC would administer the fund. All revenues remitted to the PSC from the surcharge imposed under this proposal would be deposited in the fund, and revenue in the fund could only be used as provided in this proposal. The PSC would be allowed to deduct and retain for its administrative expenses up to 1% of the annual revenues generated by the fund. All remaining revenues in the fund would be used to make grants under this proposal. The state investment board would be authorized to invest monies in the fund.

*Grants.* Authorize the PSC to make grants to reimburse service providers and local governments for incurred costs, previously approved by the PSC, based on the following

provisions.

Service providers would be eligible for reimbursement of actual, commercially reasonable costs incurred in complying with the requirements of enhanced 911 service. Costs of complying would include costs incurred for designing, upgrading, purchasing, leasing, programming, installing, testing, or maintaining all necessary data, hardware, and software required to provide service as well as the recurring and nonrecurring costs of providing the service. Applications for reimbursement would be required to include invoices for costs incurred.

Enhanced 911 service would be defined as the delivery of 911 calls with automatic number identification and automatic location identification to an appropriate public safety answering point by selective routing based on the geographical location from which the call originated and providing either a specific street address or information defining the approximate geographic location, in accordance with orders promulgated by the Federal

Communications Commission.

Grants to local governments would be limited to those governments that were designated as grant recipients under the state's wireless 911 grant program and were operating a wireless public safety answering point that was in operation as of November 30, 2008, except that for counties without wireless enhanced 911 services on that date, one local government operating a public safety answering point in each county would be eligible for grants if that government is designated as the primary public safety answering point in the county. Local governments would be required to submit grant requests annually that identify the costs incurred by the public safety answering point in complying with the requirements of enhanced 911 service.

Costs of complying would include costs incurred for designing, upgrading, purchasing, leasing, programming, installing, testing, or maintaining all necessary data, hardware, and software required to provide service as well as the recurring and nonrecurring costs of providing the service, and costs associated with training public safety answering point personnel. To obtain reimbursement, a local government's designated primary public safety answering point would have to submit an annual application to the PSC identifying expenses eligible for reimbursement under the program and listing the invoices for reimbursement that are related to compliance with enhanced 911 service requirements. Further, the application would have to include the costs of landline 911 trunks and charges for the designated and authorized public safety answering points in the county.

If the total amount of invoices submitted to the PSC and approved for payment in a month exceeds the amount available from the 911 fund for reimbursements, the amount payable to each service provider and local government would be reduced proportionately so that the amount paid would not exceed the amount available for payment. The balance of the payment would be deferred.

A local government and its designated public safety answering point would be required to comply with all requests by the PSC for financial information related to the operation of the public safety answering point and, upon request, to provide a copy of any audits conducted of the designated public safety answering point to the PSC.

*911 Advisory Council.* Create a 911 Advisory Council based on the following provisions.

The PSC would be required to appoint a council to advise it concerning the administration of the 911 grant program and surcharge, any related administrative rules, and any other matters assigned to the council by the PSC. In addition, the council would assist the 911 coordinator, described below, in the development of a statewide plan for Enhanced 911 services for the state.

The council would consist of members from the following groups:

- an individual recommended by the League of Wisconsin Municipalities;
- an individual recommended by the Wisconsin Counties Association;
- an individual recommended by the Wisconsin Chapter of the National Emergency

Number Association;

- an individual recommended by the Badger State Sheriffs Association;
- two individuals who represent commercial mobile radio service providers operating in

Wisconsin;

- an individual recommended by the Wisconsin Chapter of the Association of Public

Safety Communications Officials;

- two individuals recommended by the Wisconsin State Telecommunications

Association, one of whom represents a local exchange carrier with less than 50,000 access lines;

- an individual who represents a voice over Internet protocol provider;
- a police chief recommended by the Wisconsin Police Chiefs Association;
- a fire chief recommended by the Wisconsin Fire Chiefs Association;
- an individual recommended by the state Emergency Management Association;
- an individual who represents the cable industry; and
- an individual recommended by the Wisconsin Emergency Medical Services Association.

Each council member would be appointed to a staggered three-year term. The council's chairperson and vice chairperson could not be filled by PSC staff. The council would be required to meet at least twice a year. Members would serve without compensation, but members, other than those representing service providers could be reimbursed for their actual and necessary expenses incurred in the performance of their duties, subject to guidelines adopted by the council. Members would be required to undertake their duties in a manner that is competitively and technologically neutral to all service providers.

*Public Service Commission.* Authorize 1.0 FTE position to fund a 911 state coordinator.

Direct the PSC to develop a statewide plan for enhanced 911 services for the state and consult with the 911 Council. Authorize the Commission to promulgate administrative rules for the 911 grant program and administer the program, as described above. Create a SEG appropriation to fund the program's administrative expenses and to provide grants to service providers and local governments. Limit the expenditure of funds for administrative expenses to no more than 1% of the amounts received from surcharges. Authorize the PSC to require a communications provider or local government receiving grants to conduct an audit to ensure that its grant application and use of grant proceeds are consistent with the program requirements. Require the PSC to issue a report to the Legislature containing complete information regarding receipts and expenditures of all funds received by the PSC during the period covered by the report by February 28 of each odd-numbered year. Direct the PSC to also include in the report the status of the 911 system in Wisconsin at the time of the report and the results of any related

investigations by the PSC completed during the period covered by the report.

*Miscellaneous Provisions.* Authorize miscellaneous administrative provisions as follows.

**Recovery of Unauthorized Use of Funds.** The PSC would be required to give written notice of violation to any service provider or local government found to be using monies from the 911 fund for unauthorized purposes. Upon receipt of the notice, the service provider or designated public safety answering point would be required to cease making any unauthorized expenditures. Violators would be allowed to petition the PSC for a hearing on the question of whether the expenditures were unauthorized, and the PSC would be required to grant the request within a reasonable period. If, after the hearing, the PSC concludes the expenditures were in fact unauthorized, the PSC would require the service provider or designated public safety answering point to refund the monies improperly spent within 90 days of its determination.

**Conditions for Providing Enhanced Wireless 911 Service.** In accordance with federal wireless orders, no provider would be required to provide enhanced wireless 911 service until all of the following conditions are met: (a) the provider receives a request for the service from the administrator of a public safety answering point that is capable of receiving and utilizing the data elements associated with the service; (b) funds for reimbursement of the provider's costs are available; and (c) the local exchange carrier is able to support the requirements of enhanced 911 service.

**Telephone Relay Service for the Hearing Impaired.** Each public safety answering point receiving funding would be required to comply with FCC requirements that all 911 answering positions be equipped with the necessary equipment in order to accept 911 calls from the hearing impaired directly or through the use of a relaying service.

**Subscriber Records.** Subscriber records would remain the property of the disclosing provider and their use would be limited to providing emergency response services to 911 calls.

**Service provider connection information obtained by designated primary public safety answering point personnel for public safety purposes would not be public information under current law provisions.** The disclosure or use, other than for 911 operations, of information contained in the database of the telephone network portion of a 911 system would be prohibited. Within two business days of a service provider installing service for a new subscriber, the provider would be required to provide the relevant public safety answering point with information necessary to update the master street address guide or location database used by the public safety answering point to respond to emergency calls, and the public safety answering point would be required to make the update.

**Proprietary Information.** All information submitted to the PSC and 911 Advisory Council would be confidential if the provider designates the information as proprietary and the PSC determines the information is proprietary. Proprietary information submitted under this program would not be subject to disclosure, and release of such information to any person other than to the submitting service provider, the PSC, and the 911 Advisory Council without the express permission of the submitting service provider would be prohibited. General information collected by the PSC and 911 Advisory Council could be released or published only in aggregate amounts that do not identify or allow identification of numbers of subscribers or revenues attributable to an individual service provider.

Limitation of Liability. Extend the liability exemption for local governments and telecommunications utilities under the e-911 program to communications providers under this program.

*Effective Date.* The preceding provisions would take effect on July 1, 2011. As a result, the surcharge and grant program would commence in the 2011-13 biennium.

## **Page 120**

### **31. ELIMINATE CHANGES TO DRIVER'S LICENSE SUSPENSION FOR FAILURE TO PAY A TRAFFIC JUDGMENT**

**Assembly/Senate/Conference Committee:** Eliminate a provision of Joint Finance that would reduce the maximum period of driver's license suspension for the failure to pay a traffic violation forfeiture from two years to 90 days.

### **32. ELIMINATE DRIVER CARD PROVISION**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Eliminate a provision of Joint Finance that would require DOT to issue a driver card for applicants who are unable to provide proof of legal presence in the United States. Delete \$1,757,300 SEG in 2009-10 and \$898,800 SEG in 2010-11 and 23.1 SEG positions annually and reduce estimated transportation fund revenue by \$1,776,800 in 2009-10 and \$1,976,800 in 2010-11 to reflect the elimination of this item.

## **Page 121**

### **34. MANDATORY AUTO INSURANCE**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Specify that no person, with certain exceptions outlined below, may operate a motor vehicle upon a highway in this state unless the owner or operator of the vehicle has in effect a motor vehicle liability policy for the vehicle. Specify that this requirement does not apply if the vehicle is being operated with the consent of the owner and any of the following apply: (a) the owner or operator of the motor vehicle has in effect a surety bond with respect to the vehicle that meets current law requirements under the state's law for filing proof of financial responsibility for the future and the bond has been filed with DOT; (b) the owner or operator has made a deposit of cash or securities with the Department meeting current law requirements for filing proof of financial responsibility for the future; (c) the motor vehicle is owned by a self-insurer holding a valid certificate of self-insurance meeting current law requirements for self-insurance; (d) the motor vehicle is operated by a common or contract motor carrier, or is a school bus, a leased or rented vehicle, or human service vehicle, all of which are subject to current law insurance or financial responsibility requirements; or (e) the motor vehicle is owned by or leased to the United States, this or another state, or any county or municipality of this or another state. Specify that any person who violates the mandatory insurance requirement may be required to forfeit not more than \$500. Define "motor vehicle liability policy" to mean a policy to which all of the following apply: (a) the policy is issued by an insurer authorized to do a motor vehicle liability business in the state, or, if the policy covers a vehicle that was not registered in the state at the time of the policy's effective date, in another state in which the vehicle was registered or the owner or operator resided at that time; (b) the policy is to or for the benefit of the person named in the policy as the insured; and (c) the policy

meets minimum coverage and other requirements under the state's financial responsibility law.

Define "motor vehicle," for the purposes of this provision, as a self-propelled vehicle, excluding farm tractors, well drillers, road machinery, snowmobiles, and all-terrain vehicles.

Specify that no person, with the exceptions outlined above, may operate a motor vehicle in this state unless the person, while operating the vehicle, has in his or her immediate possession proof that he or she is in compliance with motor vehicle insurance requirements.

Specify that the operator of a motor vehicle would be required to display the proof of insurance upon demand from any traffic officer. Specify that any person who violates this requirement may be required to forfeit \$10, but specify that such a violation would not subject to current law assessments, penalties, and surcharges that are levied for other traffic violations. Specify that a person cannot be convicted of this offense if the person provides proof that he or she was in compliance with the mandatory insurance provisions at the time the citation was issued. This proof could be provided either in the office of the traffic officer who issued the citation or at the person's court appearance.

Specify that no person may do any of the following for purposes of creating the appearance of satisfying the motor vehicle insurance requirements: (a) forge, falsify, counterfeit, or fraudulently alter any proof of insurance, policy of insurance, or other insurance document, or possess any forged, falsified, fictitious, counterfeit, or fraudulently altered proof of insurance, policy of insurance or other insurance document; or (b) represent that any proof of insurance, policy of insurance, or other insurance document is valid and in effect, knowing or having reason to believe that the proof of insurance, policy of insurance, or other insurance document is not valid or not in effect. Specify that any person who violates this prohibition may be required to forfeit not more than \$5,000.

Specify that a traffic officer may not stop or inspect a vehicle solely to determine compliance with motor vehicle insurance requirements, but that this does not limit the authority of a traffic officer to issue a citation for an insurance violation that is observed in the course of a stop or inspection made for other purposes. Specify that a traffic officer may not take a person into physical custody solely for a violation of insurance requirements.

Specify that any deposit received by DOT (in lieu of having a motor vehicle insurance policy) must be maintained in an interest-bearing trust account (separate from the transportation fund), held for the benefit of the depositors and potential claimants against the deposit, and shall be applied only to the payment of judgments and assignments relating to motor vehicle accidents. Require DOT, upon request, to consent to the immediate cancellation of any bond filed with the Department or to return any deposit of money or securities (in lieu of insurance), if any of the following apply: (a) the owner or operator of a motor vehicle provides satisfactory proof that the owner or operator has a motor vehicle insurance policy or provides proof that the insurance requirements do not apply to the vehicle; (b) the person on whose behalf the bond was filed or deposit made has died, has become permanently incapacitated to operate a motor vehicle, or no longer maintains a valid driver's license; or (c) the person on whose behalf the bond was filed or deposit made no longer owns any motor vehicle registered by the Department. Specify that DOT may not consent to the cancellation of any bond or the return of a deposit if any action for damages upon the bond or deposit is then pending or any judgment against the person is then unsatisfied. Specify that if a judgment is in excess of the minimum motor vehicle insurance policy requirements, the judgment is considered satisfied if payments have been made in the amounts equaling the minimum coverage requirements.

Specify that an affidavit of the applicant for cancellation of a bond or return of a deposit that he or she satisfies these requirements is sufficient for the Department to consent to the cancellation or return, in the absence of evidence in DOT's records contradicting the affidavit.

Specify that current law operator's license and vehicle registration suspension provisions for violations under the state's safety responsibility law do not apply if the operator or owner of the motor vehicle was in compliance with the motor vehicle insurance or financial responsibility law requirements at the time of the accident, but specify that any person who fails to comply with insurance requirements is subject to current law safety responsibility law procedures and requirements.

Require DOT to include with each operator's license a notification of the motor vehicle insurance requirements and associated penalties for violations.

Specify that these provisions take effect on the first day of the twelfth month beginning after the bill's general effective date.

Require DOT to promulgate rules, and prescribe any necessary forms, to implement and administer these mandatory insurance requirements. Require DOT to submit the rules in proposed form to the Legislative Council staff no later than the first day of the ninth month beginning after the general effective date of the bill. Require DOT to promulgate emergency rules no later than that date, which would remain in effect until July 1, 2012, or the date on which the permanent rules take effect, whichever is sooner.

### **Page 123**

#### **37. PRIMARY SEAT BELT ENFORCEMENT**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Specify that provisions in the Joint Finance Committee's budget establishing primary enforcement of the state's seat belt laws and converting the \$10 forfeiture for failing to wear a seat belt from permissive to mandatory do not apply if the budget bill does not take effect on or before June 30, 2009.

## **SHARED REVENUE AND TAX RELIEF**

### **Page 124**

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

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

newly created SEG appropriation at \$41,233,400 in 2009-10 and \$61,033,400 in 2010-11, and reduce estimated payments from the county and municipal aid program's existing GPR appropriation by \$41,233,400 in 2009-10 and \$61,033,400 in 2010-11.

**Senate:** No change to Joint Finance.

**Conference Committee:** Adopt the Assembly provision, but reestimate the distributions from the newly-created SEG appropriation at \$46,233,400 in 2009-10 and \$61,033,400 in 2010-11. This estimate is \$5,000,000 more in 2009-10 than under the Assembly version, reflecting a change to the starting date for the police and fire protection fee. Reduce estimated payments from the county and municipal aid program's existing GPR appropriation by \$46,233,400 in 2009-10 and \$61,033,400 in 2010-11 to reflect this reestimate.

## **2. MAINTENANCE OF EFFORT FOR POLICE AND FIRE PROTECTION SERVICES**

**Assembly:** No change to Joint Finance.

**Senate/Conference Committee:** Modify the Joint Finance recommendations regarding maintenance of effort for police and fire protection services to add capital expenditures to one time expenses as items that may be excluded from the maintenance of effort requirement.

Specify that the Department of Revenue may adjust the reported amounts to ensure that excluding any one-time expenses or capital expenditures does not compromise the level of service for providing emergency services. In addition, specify that the definition of emergency services under this provision includes only those emergency services expenditures that are funded with payments under the county and municipal aid program.

## **3. EXPENDITURE RESTRAINT PROGRAM BUDGET TEST**

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

**Senate/Conference Committee:** Modify the Joint Finance provision regarding the expenditure restraint program's budget test as follows: (a) modify the provision setting the minimum change under the "inflation factor" at 0% by increasing that amount to 3%; and (b) modify the one-time adjustment for municipalities also receiving aid under the payments for municipal services program by basing the adjustment on the aid payment in 2009, rather than 2010, under the payments for municipal services program.