



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

Memo No. 3

TO: MEMBERS OF THE SPECIAL COMMITTEE ON LOCAL SERVICE CONSOLIDATION

FROM: Scott Grosz, Staff Attorney

RE: Comparison of WLC: 0004/1 and WLC: 0004/2

DATE: February 3, 2011

During its December 14, 2010 meeting, the committee discussed WLC: 0004/1, relating to loans to implement the consolidation, or cooperation for the provision, of local governmental unit services or the consolidation of local governmental units, including aspects of the draft that relate to the scope of the loan program, eligible activities under the loan program and the funding of the program. In response to this discussion, Chair Zepnick requested that Legislative Council staff make certain changes to the draft. These changes were incorporated into a new draft, WLC: 0004/2, along with other technical changes. This Memo compares WLC: 0004/1 and WLC: 0004/2 with regard to the manner each draft addresses the scope, eligible activities, and funding of the loan program.

LOAN PROGRAM SCOPE

Under WLC: 0004/1, local governmental units could apply to the loan program for any of the following:

- Implementing the consolidation of one or more local governmental unit services.
- Implementing the cooperation for the provision of one or more local governmental unit services.
- Implementing the consolidation of local governmental units.

Loans could be awarded to an individual local unit of government or to a combination of two or more local units of government, and as drafted, could be used for consolidation of local governmental services within a single community, as well as consolidation and cooperation between communities.

During the December 14, 2010 meeting, the committee discussed whether to amend the draft to limit the loan program to activities involving two or more local governmental units.

WLC: 0004/2 retains the language of WLC: 0004/1, permitting both intra- and inter-community activities. Under WLC: 0004/2, all communities participating in inter-community activities must take part in the loan program in order for an award to be made under the program.

ELIGIBLE ACTIVITIES

As described above, WLC: 0004/1 limits eligible activities to the *implementation* of consolidation or cooperation activities. During the meeting, the committee discussed whether the activities eligible for the loan program should include the study or feasibility of consolidation and cooperation activities.

As compared to WLC: 0004/1, WLC: 0004/2 modifies the language to include reference to the *study* of consolidation and cooperation activities, and directs the Department of Administration to grant a preference to implementation over study when making loans under the program.

FUNDING

As discussed at the December 14, 2010 meeting, WLC: 0004/1 identified the expenditure restraint program as a source of funding for the loan program created by the draft. However, the size of this funding transfer was not identified in WLC: 0004/1.

WLC: 0004/2 deletes the expenditure restraint program as a source of funding for the loan program, but does not specify an alternative funding source or the extent of funding for the program. As discussed at the December meeting, if it is approved for introduction by the Joint Legislative Council, this draft will leave the question of the program's funding to the Legislature to be determined during the legislative process.

SG:ksm