

STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

EXECUTIVE SESSION

Thursday, May 9, 2019 (11:00 a.m.)

The Joint Committee on Finance will meet in Executive Session on the 2019-21 biennial budget on Thursday, May 9, 2019, at 11:00 a.m. The meeting will be held in Room 412 East, State Capitol.

The Committee will first consider the attached motion. Following that, the Committee will take action on the budgets of the following agencies:

Educational Communications Board
Medical College of Wisconsin
Historical Society
Governor
Lieutenant Governor
Program Supplements
Ethics Commission
Investment Board
Employment Relations Commission
Administration -- Division of Gaming
Health Services -- Care and Treatment Services
Shared Revenue and Tax Relief -- Direct Aid Payments
Shared Revenue and Tax Relief -- Forestry Mill Rate
Transportation -- State Patrol
Revenue -- Departmentwide

LUTHER OLSEN
Senate Vice-Chair

JOHN NYGREN
Assembly Chair

AD/JN/jm
Attachment

OMNIBUS BUDGET MOTION

Motion:

Move that the following list of items, as identified in the Legislative Fiscal Bureau's summary of the Governor's 2019-21 Budget Recommendations, be removed from further budget consideration by the Joint Committee on Finance.

ADMINISTRATION

General Agency Provisions

- Repeal Approval Process for Capitol Security Changes (Page 25, #11)
- Economic Development Liaison Project Position (Page 25, #12 and Page 451, #4)

Transfers

- Transfer of Worker's Compensation Hearings Functions from Hearings and Appeals (Page 26, #1 and Page 460, #2)

Housing and Energy

- Establish the Office of Sustainability and Clean Energy (Page 27, #1 and Page 364, #4)
- Repeal Sunset for Diesel Truck Idling Reduction Grant Program (Page 28, #2)

Facilities

- Modify Requirements for Leased Space (Page 32, #3)

AGRICULTURE, TRADE AND CONSUMER PROTECTION

- Repeal Minimum Markup of Motor Vehicle Fuel (Page 41, #7)

CHILDREN AND FAMILIES

Economic Support and TANF-Funded Programs

- Wisconsin Works Lifetime Limit on Participation (Page 64, #3)
- W-2 Education and Training Limits (Page 65, #4)
- Limits on Participation in W-2 Placements (Page 65, #5)
- W-2 Temporary Employment Match Program (Page 66, #6)
- W-2 Internet Service Provider Subscriptions (Page 66, #7)
- W-2 Caretaker of Infant Time Limit (Page 66, #8)
- Controlled Substance, Screening, Testing, and Treatment Eligibility Requirements (Page 67, #10)
- TANF Reallocation Approval (Page 77, #32)

CORRECTIONS

Community Corrections

- Repeal Pardon and Release Reporting Requirement (Page 103, #4)

Juvenile Corrections

- Age of Juvenile Jurisdiction (Page 88, #1 and Page 106, #7)

ELECTIONS COMMISSION

- Automatic Voter Registration (Page 115, #2 and Page 430, #3)
- Voting Requirement Modifications (Page 117, #3)

EMPLOYEE TRUST FUNDS

- Rehired Annuitant Teachers (Page 119, #3)
- Board Oversight of Disability Programs and Reserve Policy (Page 121, #8)
- On-Site Employee Health Clinics (Page 122, #9)
- Internal Auditor (Page 122, #10)
- Fixed-Dollar Employee Premium Subsidy Study (Page 122, #11)
- Prescription Drug Pooling Study (Page 123, #12)
- Private Sector Retirement Security Plan Committee and Study (Page 123, #13 and Page 396, #2)

ENVIRONMENTAL IMPROVEMENT FUND

- Lead Service Line Replacement (Page 126, #3)

GENERAL FUND TAXES

Individual Income Taxes

- Limitation on Exclusion for Nonfarm Capital Gains (Page 134, #2)
- Manufacturing and Agriculture Credit Limitation (Page 135, #3)
- Earned Income Tax Credit (Page 137, #6 -- except current law reestimate)
- Homestead Tax Credit -- Modifications to Formula Factors and Indexing (Page 138, #8)
- Sunset Private School Tuition Deduction (Page 139, #10)
- Broadcaster Apportionment Modifications (Page 144, #21 and Page 450, #2)
- Enterprise Zone Tax Credit Program (Page 145, #23)

Sales and Use Taxes

- Repeal Sales Tax Exemption for Clay Pigeons and Game Birds (Page 153, #2)
- Repeal Sales Tax Exemption for Farm-Raised Deer (Page 153, #3)

HEALTH SERVICES

Medical Assistance

- Full Medicaid Expansion (Page 165, #3)
- Prescription Drug Copayments (Page 175, #16)
- Childless Adult Demonstration (Page 185, #28)
- Repeal Health Savings Account Program (Page 186, #29)
- MA Eligibility -- Cooperation with Child Support and Establishing Paternity (Page 186, #30)
- Joint Committee on Finance Review and Approval of Certain MA Program Changes (Page 188, #31)
- Joint Committee on Finance Review Process for Federal Waivers, Pilot Programs, and Demonstration Projects (Page 188, #32)

Medicaid Services Administration

- Eliminate Birth Recovery Cost Requirements (Page 193, #5)
- Qui Tam Actions for False Claims (Page 194, #6 and Page 257, #17)

Public Health

- Family Planning and Women's Health Block Grant (Page 203, #14)
- Prescription Drug Importation Program (Page 205, #15)

FoodShare

- Repeal FoodShare Child Support and Paternity Compliance Requirements (Page 221, #5)

HIGHER EDUCATIONAL AIDS BOARD

- Student Loan Refinancing Study Committee (Page 130, #2; Page 229, #10; and Page 396, #2)

INSURANCE

- Prescription Drug Pricing and Cost Reporting (Page 235, #7)
- Health Insurance Issuance and Coverage Requirements (Page 237, #9)

JUSTICE

- Transfer Office of School Safety (Page 252, #6 and Page 358, #22)
- Powers of the Attorney General (Page 255, #15)
- Settlement and Relator Appropriations (Page 256, #16)

LABOR AND INDUSTRY REVIEW COMMISSION

- Labor and Industry Review Commission Administrative Attachment (Page 259, #2 and Page 462, #4)

LEGISLATURE

- Legislative Intervention (Page 261, #5)
- Advice and Consent of the Senate for Appointments (Page 261, #6)
- Retention of Legal Representation for Legislators, Legislative Staff and the Legislature (Page 261, #7)
- Agency Publications (Page 262, #8)
- Administrative Rules (Page 262, #9)
- Legislative and Congressional Redistricting (Page 263, #10)

MARIJUANA-RELATED PROVISIONS

- Medical Marijuana Oversight and Regulation (Page 38, #2; Page 153, #4; Page 154, #1; Page 225, #5; and Page 267, #1)
- Decriminalization, Expungement, and Dismissal of Certain Marijuana Offenses (Page 280, #2)

PUBLIC INSTRUCTION

General School Aids and Revenue Limits

- Reallocate Property Tax Credit Funding to General School Aids Appropriation (Page 317, #5 and Page 385, #1)
- Revenue Limit Adjustment for Lead Testing and Remediation (Page 321, #14)
- Four-Year-Old Kindergarten Membership (Page 322, #15)
- Limit on Number of School District Referenda (Page 322, #16)

Categorical Aids

- Driver Education Aid (Page 333, #29)

Choice, Charter, and Open Enrollment

- Private School Choice Programs -- Cap Participation at 2020-21 Levels (Page 339, #3)
- Private School Choice Programs -- Teacher Licensure Requirement (Page 340, #4)
- Private School Choice Programs -- Accreditation of Private Schools (Page 341, #5)
- Milwaukee Private School Choice Program -- Eliminate City Choice Levy Aid (Page 342, #6)
- Private School Choice Programs -- Definition of Poverty Level (Page 342, #7)
- Private School Choice and Special Needs Scholarship Programs -- Information Required on Property Tax Bill (Page 342, #8 and Page 390, #6)
- Special Needs Scholarship Program -- Sunset (Page 344, #10)
- Special Needs Scholarship Program -- Teacher Licensure Requirement (Page 344, #11)
- Special Needs Scholarship Program -- Private School Requirements (Page 344, #12)
- Special Needs Scholarship Program -- Delete Cost Reimbursement Provision (Page 346, #13)
- Special Education Scholarship Program -- Additional Tuition Charges (Page 347, #14)
- Special Education Scholarship Program -- Religious Activity Opt-Out (Page 348, #15)
- Prohibition on New Independent Charter Schools (Page 349, #17)
- Opportunity Schools and Partnership Program (Page 351, #20)

Administrative and Other Funding

- Eliminate Teacher Licensure for Alternative Teaching Preparation Program (Page 354, #5)
- Paid Planning Time for Teachers (Page 359, #23)

PUBLIC SERVICE COMMISSION

Broadband Provisions

- Municipal Broadband Facilities in Underserved or Unserved Areas (Page 361, #3)
- State Broadband Access Goal (Page 362, #4)
- Broadband Report (Page 362, #5)

Departmentwide and Energy Programs

- Utility Contribution for Energy Efficiency and Renewable Resource Programs (Page 363, #2)
- State Carbon-Free Electricity Goal (Page 365, #7)

REVENUE

Lottery Administration

- Modify Contract Requirements for Lottery Retailers (Page 372, #4)

SAFETY AND PROFESSIONAL SERVICES

- Regulation and Licensure of Dental Therapists (Page 200, #6; Page 376, #10; and Page 443, #16)

SECRETARY OF STATE

- Additional Resources for the Office (Page 380, #2)

SHARED REVENUE AND TAX RELIEF

Property Taxation

- Levy Limits -- 2% Minimum Increase (Page 386, #1)
- Dark Property and Leased Property Tax Assessments ("Dark Stores") (Page 388, #5)
- Tax Incremental Financing District Value Reporting Error (Page 390, #7)
- Limit on Tax Incremental Financing District Developer Cash Grants (Page 391, #8)
- Tax Incremental Financing District Project Plans -- Alternative Growth Projections (Page 391, #9)

STATE TREASURER

- General Program Operations Appropriation Creation and Funding (Page 395, #1)

TOURISM

- Restore Percent for Art (Page 400, #7)

TRANSPORTATION

Transportation Finance

- Eliminate General Fund Transfer to Transportation Fund (Page 404, #3)

Local Transportation Assistance

- Repeal Prohibition of Condemnation Authority for Recreational and Pedestrian Trails (Page 302, #10 and Page 418, #8)
- Repeal 2017 Act 368 Local Transportation Project Provisions (Page 418, #9)

State Highway Program

- Repeal 2017 Act 368 Federal Funding Limitations on State Highway Projects (Page 427, #7)

Motor Vehicles

- Driver Licenses and Identification Cards for Undocumented Aliens [For Purposes Other Than Voting] (Page 429, #2)
- Exemption from Probationary License Requirements -- United States Armed Forces (Page 431, #4)
- Identification Card Receipts for Voting Purposes -- Valid Period (Page 432, #5)

UNIVERSITY OF WISCONSIN SYSTEM

- Nonresident Tuition Exemption for Undocumented Individuals (Page 439, #10 and Page 459, #5)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

- Online Electronic Database (Page 452, #7)
- WEDC Reporting on Job Creation and Retention (Page 452, #8)
- WEDC Contracting Requirements and Underwriting Review (Page 454, #14)
- Modifications to WEDC Board of Directors and CEO (Page 454, #15)

WISCONSIN TECHNICAL COLLEGE SYSTEM

- Revenue Limit -- 2% Minimum Increase (Page 457, #3)

WORKFORCE DEVELOPMENT

Employment and Training

- Career and Technical Education Grants and Completion Awards (Page 330, #21 and Page 463, #1)
- Technical Education Equipment Grant Program (Page 331, #22 and Page 464, #3)
- Teacher Development Grants (Page 335, #33; Page 464, #4; and Page 464, #5)
- Eliminate Wisconsin Career Creator Program (Page 465, #8)

Unemployment Insurance

- UI Drug Testing (Page 466, #1)
- UI Weekly Benefit Rate (Page 467, #2)
- UI Waiting Period (Page 467, #3)
- UI Wage Threshold (Page 468, #4)
- UI Suitable Work (Page 468, #5)
- UI Substantial Fault (Page 469, #6)
- UI Work Search Waivers (Page 470, #7)
- UI Voluntary Termination (Page 470, #8)

Equal Rights

- Minimum Wage (Page 471, #1)
- Right to Work (Page 472, #2)
- Prevailing Wage (Page 474, #3)
- Family and Medical Leave (Page 476, #4)
- Local Employment Regulations (Page 478, #5)
- Project Labor Agreements (Page 478, #6)
- Job Applicant Conviction History (Page 479, #7)

FISCAL EFFECT OF MOTION #5 (CHANGE TO BILL)

| <u>Item</u> | <u>Agency</u> | <u>2019-20</u> | <u>2020-21</u> | <u>Total</u> | <u>Fund</u> |
|---|--------------------------------|----------------|----------------|---------------|---------------|
| Transfer of Worker's Compensation Hearings Functions to Hearings and Appeals (Page 26, #1 and Page 460, #2) | Administration | \$2,400,300 | \$4,800,500 | \$7,200,800 | PR |
| | | 36.50 | 36.50 | 36.50 | PR Positions |
| | Workforce Development | -36.50 | -36.50 | -36.50 | SEG Positions |
| Establish the Office of Sustainability and Clean Energy (Page 27, #1 and Page 364, #4) | Administration | -1,765,300 | -2,204,000 | -3,969,300 | FED |
| | | -6.00 | -6.00 | -6.00 | FED Positions |
| | | -4,000,000 | -4,000,000 | -8,000,000 | SEG |
| | PSC | 1,275,800 | 1,701,100 | 2,976,900 | FED |
| | 5.00 | 5.00 | 5.00 | FED Positions | |
| W-2 Internet Service Provider Subscriptions (Page 66, #7) | Children and Families | -5,300,000 | -5,300,000 | -10,600,000 | FED |
| W-2 Caretaker of Infant Time Limit (Page 66, #8) | Children and Families | -211,400 | -211,400 | -422,800 | FED |
| Controlled Substance, Screening, Testing, and Treatment Eligibility Requirements (Page 67, #10) | Children and Families | 250,000 | 250,000 | 500,000 | GPR |
| Age of Juvenile Jurisdiction (Page 88, #1 and Page 106, #7) | Corrections | 0 | -5,000,000 | -5,000,000 | GPR |
| Automatic Voter Registration (Page 115, #2) | Elections Commission | -24,800 | -12,600 | -37,400 | GPR |
| Lead Service Line Replacement (Page 126, #3) | Environmental Improvement Fund | 0 | -40,000,000 | -40,000,000 | BR |
| Limitation on Exclusion for Nonfarm Capital Gains (Page 134, #2) | General Fund Taxes | -285,100,000 | -220,000,000 | -505,100,000 | GPR-Tax |
| Manufacturing and Agricultural Credit Limitation (Page 135, #3) | General Fund Taxes | -279,500,000 | -237,100,000 | -516,600,000 | GPR-Tax |
| Earned Income Tax Credit (Page 137, #6) | General Fund Taxes | -10,400,000 | -9,700,000 | -20,100,000 | GPR |
| | | -16,000,000 | -17,000,000 | -33,000,000 | PR |
| Homestead Tax Credit -- Modifications to Formula Factors and Indexing (Page 138, #8) | General Fund Taxes | 0 | -38,900,000 | -38,900,000 | GPR |
| Sunset Private School Tuition Deduction (Page 139, #10) | General Fund Taxes | -12,100,000 | -12,200,000 | -24,300,000 | GPR-Tax |

| <u>Item</u> | <u>Agency</u> | <u>2019-20</u> | <u>2020-21</u> | <u>Total</u> | <u>Fund</u> |
|---|------------------------|----------------|----------------|----------------|---------------|
| Broadcaster Apportionment Modifications (Page 144, #21 and Page 450, #2) | General Fund Taxes | -16,200,000 | -13,300,000 | -29,500,000 | GPR-Tax |
| | | -590,000 | -480,000 | -1,070,000 | SEG-REV |
| | WEDC | 590,000 | 480,000 | 1,070,000 | GPR |
| | | -590,000 | -480,000 | -1,070,000 | SEG |
| Repeal Sales Tax Exemption for Clay Pigeons and Game Birds (Page 153, #2) | General Fund Taxes | -150,000 | -200,000 | -350,000 | GPR-Tax |
| Repeal Sales Tax Exemption for Farm-Raised Deer (Page 153, #3) | General Fund Taxes | -90,800 | -121,000 | -211,800 | GPR-Tax |
| Full Medicaid Expansion (Page 165, #3) | Health Services | 159,473,300 | 165,011,600 | 324,484,900 | GPR |
| | | -524,021,200 | -541,225,300 | -1,065,246,500 | FED |
| Prescription Drug Copayments (Page 175, #16) | Health Services | -2,454,300 | -2,454,300 | -4,908,600 | GPR |
| | | -3,590,700 | -3,590,700 | -7,181,400 | FED |
| Family Planning and Women's Health Block Grant (Page 203, #14) Student Loan Refinancing Study (Page 130, #2) | Health Services | -193,600 | -193,600 | -387,200 | GPR |
| | Financial Institutions | -50,000 | 0 | -50,000 | PR |
| | | 50,000 | 0 | 50,000 | GPR-REV |
| Prescription Drug Pricing and Cost Reporting (Page 235, #7) | Insurance | -176,000 | -176,000 | -352,000 | PR |
| | | -2.00 | -2.00 | -2.00 | PR Positions |
| Transfer Office of School Safety (Page 252, #6 and Page 358, #22) | Justice | 226,900 | 453,900 | 680,800 | GPR |
| | | 0.00 | 3.80 | 3.80 | GPR Positions |
| | Public Instruction | -48,300 | -95,500 | -143,800 | GPR |
| | | -1.00 | -1.00 | -1.00 | GPR Positions |
| Legislative and Congressional Redistricting (Page 263, #10) | Legislature | -10,000 | 0 | -10,000 | GPR |
| Medical Cannabis Registry (Page 38, #2; Page 153, #4; Page 154, #1; and Page 225, #5) | DATCP | -150,700 | -150,700 | -301,400 | PR |
| | | -1.50 | -1.50 | -1.50 | PR Positions |
| | | -35,000 | 0 | -35,000 | GPR |
| | General Fund Taxes | -252,100 | -504,200 | -756,300 | GPR-Tax |
| | | -504,200 | -1,008,300 | -1,512,500 | GPR-Tax |
| | Health Services | -440,000 | 0 | -440,000 | GPR |
| | | -400,600 | -400,600 | -801,200 | PR |
| | | -4.00 | -4.00 | -4.00 | PR Positions |

| <u>Item</u> | <u>Agency</u> | <u>2019-20</u> | <u>2020-21</u> | <u>Total</u> | <u>Fund</u> |
|---|-----------------------|----------------|----------------|--------------|---------------|
| Four-Year-Old Kindergarten Membership (Page 322, #15) | Public Instruction | 0 | -10,369,600 | -10,369,600 | GPR |
| [Effects on Choice, Special Needs Scholarship, and Independent Charter School Programs] | | 0 | 4,284,300 | 4,284,300 | GPR-Lapse |
| Driver Education Aid (Page 333, #29) | Public Instruction | 0 | -2,000,000 | -2,000,000 | GPR |
| Private School Choice Programs -- Cap Participation at 2020-21 Levels (Page 339, #3) | Public Instruction | 0 | 45,952,000 | 45,952,000 | GPR |
| | | 0 | -27,214,300 | -27,214,300 | GPR-Lapse |
| Special Needs Scholarship Program -- Sunset (Page 344, #10) | Public Instruction | 0 | 4,599,500 | 4,599,500 | GPR |
| | | 0 | -4,599,500 | -4,599,500 | GPR-Lapse |
| Regulation of Dental Therapists (Page 200, #6 and Page 376, #10) | DSPS | -500,000 | -1,000,000 | -1,500,000 | GPR |
| Additional Resources for the Office (Page 380, #2) | Secretary of State | -65,200 | -52,500 | -117,700 | PR |
| | | -1.00 | -1.00 | -1.00 | PR Positions |
| | | 71,700 | 51,200 | 122,900 | GPR-REV |
| General Program Operations Appropriation Creation and Funding (Page 395, #1) | State Treasurer | -240,100 | -271,200 | -511,300 | GPR |
| | | -2.50 | -2.50 | -2.50 | GPR Positions |
| | | -71,700 | -79,100 | -150,800 | PR |
| | | -0.50 | -0.50 | -0.50 | PR Positions |
| Restore Percent for Art (Page 400, #7) | Tourism | -500,700 | -500,700 | -1,001,400 | PR |
| | | -1.00 | -1.00 | -1.00 | PR Positions |
| Eliminate General Fund Transfer to Transportation Fund (Page 404, #3) | Transportation | 43,417,300 | 44,399,800 | 87,817,100 | GPR-Transfer |
| | | 43,417,300 | 44,399,800 | 87,817,100 | SEG-Transfer |
| Career and Technical Education Grants (Page 330, #21 and Page 463, #1) | Public Instruction | -3,500,000 | -3,500,000 | -7,000,000 | GPR |
| | Workforce Development | 3,500,000 | 3,500,000 | 7,000,000 | GPR |
| Technical Education Equipment Grant Program (Page 331, #22 and Page 464, #3) | Public Instruction | -500,000 | -500,000 | -1,000,000 | GPR |
| | Workforce Development | 500,000 | 500,000 | 1,000,000 | GPR |
| Grants for Teacher Development, Training, and Recruitment (Page 335, #33; Page 464, #4; and Page 464, #5) | Public Instruction | -750,000 | -750,000 | -1,500,000 | GPR |
| | Workforce Development | 500,000 | 500,000 | 1,000,000 | GPR |
| | | 250,000 | 250,000 | 500,000 | GPR |

| <u>Item</u> | <u>Agency</u> | <u>2019-20</u> | <u>2020-21</u> | <u>Total</u> | <u>Fund</u> |
|--------------------------------|-------------------------------|-------------------|-------------------|-------------------|-----------------|
| UI Drug Testing (Page 466, #1) | Workforce Development | 250,000 | 250,000 | 500,000 | GPR |
| | | ===== | ===== | ===== | |
| | Totals--Change to Bill | \$146,444,100 | \$147,000,200 | \$293,444,300 | GPR |
| | | -533,612,800 | -550,830,300 | -1,084,443,100 | FED |
| | | -15,014,600 | -13,559,100 | -28,573,700 | PR |
| | | <u>-4,590,000</u> | <u>-4,480,000</u> | <u>-9,070,000</u> | SEG |
| | | -\$406,773,300 | -\$421,869,200 | -\$828,642,500 | |
| | | \$0 | -\$40,000,000 | -\$40,000,000 | BR |
| | | -\$593,897,100 | -\$484,433,500 | -\$1,078,330,600 | GPR-Tax |
| | | 121,700 | 51,200 | 172,900 | GPR-REV |
| | | 0 | -27,529,500 | -27,529,500 | GPR-Lapse |
| | | 43,417,300 | 44,399,800 | 87,817,100 | GPR-Transfer |
| | | 43,417,300 | 44,399,800 | 87,817,100 | SEG-Transfer |
| | | -590,000 | -480,000 | -1,070,000 | SEG-REV |
| | | -3.50 | 0.30 | 0.30 | GPR Positions |
| | | -1.00 | -1.00 | -1.00 | FED Positons |
| | | 26.50 | 26.50 | 26.50 | PR Positions |
| | | <u>-36.50</u> | <u>-36.50</u> | <u>-36.50</u> | SEG Positions |
| | | -14.50 | -10.70 | -10.70 | Total Positions |
| | Totals--Change to Base | | | | |
| | Funding | \$0 | \$0 | \$0 | |
| | Positions | 0.00 | 0.00 | 0.00 | |