

2019
LRB-2229

Master
Analysis

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State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-0511/P1
CMH:wlj

DOA:.....Grinde, BB0000 - Base draft for budget

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

- 1 **AN ACT relating to:** state finances and appropriations, constituting the
2 executive budget act of the 2019 legislature.

Analysis by the Legislative Reference Bureau

INTRODUCTION

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This bill is the executive budget bill under section 16.47 (1) of the statutes. It contains the governor's recommendations for appropriations for the 2019-21 fiscal biennium.

The bill sets the appropriation levels in chapter 20 of the statutes for the 2019-21 fiscal biennium. The descriptions that follow in this analysis relate to the most significant changes in the law that are proposed in the bill.

For additional information concerning the bill, see the Department of Administration's publication *Budget in Brief* and the executive budget books, the Legislative Fiscal Bureau's summary document, and the Legislative Reference Bureau's drafting files, which contain separate drafts on each policy item.

GUIDE TO THE BILL


The budget bill is organized like other bills. First, treatments of statutes appear in ascending numerical order of the statute affected. Next, any treatments of prior session laws appear ordered by the year of original enactment and then by act number (for instance, a treatment of 2015 Wisconsin Act 15 would precede a treatment of 2017 Wisconsin Act 6).

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The remaining sections of the budget bill are organized by type of provision and, within each type, alphabetically by state agency. The first two digits of the four-digit section number indicate the type of provision:

- 91XX Nonstatutory provisions.**
- 92XX Fiscal changes.**
- 93XX Initial applicability.**
- 94XX Effective dates.**

The remaining two digits indicate the state agency or subject area to which the provision relates:

- XX01 Administration.** ✓
 - XX02 Agriculture, Trade and Consumer Protection.** ✓
 - XX03 Arts Board.** ✓
 - XX04 Building Commission.** ✓
 - XX05 Child Abuse and Neglect Prevention Board.** ✓
 - XX06 Children and Families.** ✓
 - XX07 Circuit Courts.** ✓
 - XX08 Corrections.** ✓
 - XX09 Court of Appeals.** ✓
 - XX10 District Attorneys.** ✓
 - XX11 Educational Communications Board.** ✓
 - XX12 Elections Commission.** ✓
 - XX13 Employee Trust Funds.** ✓
 - XX14 Employment Relations Commission.** ✓
 - XX15 Ethics Commission.** ✓
 - XX16 Financial Institutions.** ✓
 - XX17 Governor.** ✓
 - XX18 Health and Educational Facilities Authority.** ✓
 - XX19 Health Services.** ✓
 - XX20 Higher Educational Aids Board.** ✓
 - XX21 Historical Society.** ✓
 - XX22 Housing and Economic Development Authority.** ✓
 - XX23 Insurance.** ✓
 - XX24 Investment Board.** ✓
 - XX25 Joint Committee on Finance.** ✓
 - XX26 Judicial Commission.** ✓
 - XX27 Justice.** ✓
 - XX28 Legislature.** ✓
 - XX29 Lieutenant Governor.** ✓
 - XX30 Local Government.** ✓
 - XX31 Military Affairs.** ✓
 - XX32 Natural Resources.** ✓
 - XX33 Public Defender Board.** ✓
 - XX34 Public Instruction.** ✓
- 

- XX35 Public Lands, Board of Commissioners of. ✓
- XX36 Public Service Commission. ✓
- XX37 Revenue. ✓
- XX38 Safety and Professional Services. ✓
- XX39 Secretary of State. ✓
- XX40 State Fair Park Board. ✓
- XX41 Supreme Court. ✓
- XX42 Technical College System. ✓
- XX43 Tourism. ✓
- XX44 Transportation. ✓
- XX45 Treasurer. ✓
- XX46 University of Wisconsin Hospitals and Clinics Authority;
Medical College of Wisconsin. ✓
- XX47 University of Wisconsin System. ✓
- XX48 Veterans Affairs. ✓
- XX49 Wisconsin Economic Development Corporation. ✓
- XX50 Workforce Development. ✓
- XX51 Other. ✓

For example, for general nonstatutory provisions relating to the State Historical Society, see SECTION 9121. For any agency not assigned a two-digit identification number or any provision that does not relate to the functions of a particular agency, see number 51 (**Other**) within each type of provision. Separate section numbers and headings appear for each type of provision and for each state agency, even if there are no provisions included in that section number and heading.

Following is a list of the most commonly used abbreviations appearing in the analysis:

- DATCP ... Department of Agriculture, Trade and Consumer Protection
- DCF Department of Children and Families
- DETF Department of Employee Trust Funds
- DFI Department of Financial Institutions
- DHS Department of Health Services
- DMA Department of Military Affairs
- DNR Department of Natural Resources
- DOA Department of Administration
- DOC Department of Corrections
- DOJ Department of Justice
- DOR Department of Revenue
- DOT Department of Transportation
- DPI Department of Public Instruction
- DSPS Department of Safety and Professional Services
- DVA Department of Veterans Affairs
- DWD Department of Workforce Development
- JCF Joint Committee on Finance
- LRB Legislative Reference Bureau

- OCI Office of the Commissioner of Insurance
- PSC Public Service Commission
- SHS State Historical Society
- TCS Technical College System
- UW University of Wisconsin
- WEDC Wisconsin Economic Development Corporation
- WHEDA .. Wisconsin Housing and Economic Development Authority
- WHEFA... Wisconsin Health and Educational Facilities Authority

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.005 (1) of the statutes is repealed and recreated to read:

2 20.005 (1) SUMMARY OF ALL FUNDS. The budget governing fiscal operations for
 3 the state of Wisconsin for all funds beginning on July 1, 2019, and ending on June
 4 30, 2021, is summarized as follows: [See Figure 20.005 (1) following]

 ****NOTE: We will insert the schedules when we receive the 2019-21 versions.

5 **Figure: 20.005 (1)**

6 **SECTION 2.** 20.005 (2) of the statutes is repealed and recreated to read:

7 20.005 (2) STATE BORROWING PROGRAM SUMMARY. The following schedule sets
 8 forth the state borrowing program summary: [See Figures 20.005 (2) (a) and (b)
 9 following]

 ****NOTE: We will insert the schedule when we receive the 2019-21 version.

10 **Figure: 20.005 (2) (a)**

11 **Figure: 20.005 (2) (b)**

professional development and training related to identifying and educating all gifted and talented pupils.

*** ANALYSIS FROM -0795/P3 ***

EDUCATION

PRIMARY AND SECONDARY EDUCATION

6. Milwaukee mathematics partnership grant

Under this bill, beginning in the 2020-21 school year, DPI must award a grant to the school board of a first class city school district (currently, only Milwaukee Public Schools) to develop and implement a plan to improve mathematics instruction in the school district. The bill requires the school board to work with the UW-Milwaukee to develop and implement the plan.

*** ANALYSIS FROM -1840/P2 ***

EDUCATION

7. Grant program to

This bill creates grants to school district individual of any race Central America, or South America or whose culture or origin is Spanish, or an individual admitted to the United States after December 31, 1975, who is either a former citizen of Laos, Vietnam, or Cambodia or whose ancestor was or is a citizen of Laos, Vietnam, or Cambodia. The bill requires DPI to award half of the moneys appropriated for these grants to a first class city school district (currently, only Milwaukee Public Schools). DPI must award the other half of the moneys appropriated for these grants to school districts other than MPS and give a preference school districts that have a high percentage of minority pupils. Under the bill, this grant program replaces the minority teacher loan program administered by HEAB. See EDUCATION - HIGHER EDUCATION.

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program under which DPI awards grants to minorities to teach in the school district. Under the bill, an American Indian, an individual admitted to the United States after December 31, 1975, who is either a former citizen of Laos, Vietnam, or Cambodia or whose ancestor was or is a citizen of Laos, Vietnam, or Cambodia. The bill requires DPI to award half of the moneys appropriated for these grants to a first class city school district (currently, only Milwaukee Public Schools). DPI must award the other half of the moneys appropriated for these grants to school districts other than MPS and give a preference school districts that have a high percentage of minority pupils. Under the bill, this grant program replaces the minority teacher loan program administered by HEAB. See EDUCATION - HIGHER EDUCATION.

HIGHER EDUCATION

8. Minority teacher loan program

This bill prohibits HEAB from making a loan under the minority teacher loan program after the date on which the bill becomes law. Under the bill, HEAB continues to administer the repayment and loan forgiveness of all minority teacher loans made on or before the date the bill becomes law.

Under current law, HEAB administers a minority teacher loan program for minority students who meet certain eligibility criteria, including enrollment in a program of study leading to a teacher's license in a teacher shortage field. A minority student is defined as a student who is a Black American, an American Indian, an individual of any race whose ancestors originated in Mexico, Puerto Rico, Cuba, Central America, or South America or whose culture or origin is Spanish, or an individual admitted to the United States after December 31, 1975, who is either a former citizen of Laos, Vietnam, or Cambodia or whose ancestor was or is a citizen

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of Laos, Vietnam, or Cambodia. Under the program, HEAB may award, to an eligible minority student, a loan of up to \$10,000 annually for up to three years. HEAB must forgive 25 percent of the loan for each school year that the loan recipient 1) is employed in the city of Milwaukee as a full-time elementary or secondary school teacher in a high-demand, teacher shortage field; and 2) receives a teacher rating of proficient or distinguished.

The bill replaces the minority teacher loan program with a grant program under which DPI awards grants to school districts to recruit minority teachers. See EDUCATION - PRIMARY AND SECONDARY EDUCATION.

*** ANALYSIS FROM -2007/P2 ***

EDUCATION

PRIMARY AND SECONDARY EDUCATION

9. *Water bottle filling stations.*

This bill requires DPI to award grants to school districts to purchase water bottle filling stations that provide filtered drinking water.

*** ANALYSIS FROM -0523/P1 ***

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, the state superintendent of public instruction must, in the 2017-18 and 2018-19 school years, distribute to Wisconsin Reading Corps to provide one-on-one tutoring to pupils all amounts appropriated to DPI for that purpose. This bill requires the state superintendent to continue annually making the distribution to Wisconsin Reading Corps going forward.

*** ANALYSIS FROM -0524/P1 ***

EDUCATION

PRIMARY AND SECONDARY EDUCATION

This bill clarifies that DPI may award a robotics league participation grant to an eligible team to participate in more than one robotics competition.

*** ANALYSIS FROM -0776/P3 ***

EDUCATION

PRIMARY AND SECONDARY EDUCATION

10. *After-school program grants*

This bill creates a grant program under which DPI must award grants to support high-quality after-school programs and out-of-school-time programs to organizations that provide services to school-age children.

*** ANALYSIS FROM -0780/P3 ***

EDUCATION

PRIMARY AND SECONDARY EDUCATION

11. *Tribal language revitalization grants*

Under current law, a school board, cooperative educational service agency, or Head Start agency (applicant) may apply to DPI for a grant to support instruction



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State of Wisconsin
2019 - 2020 LEGISLATURE

Insert Analysis-TD

LRB-2074/P1
TJD:ahc

DOA:.....Bollhorst, BB0393 - Regional crisis stabilization facilities

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

~~1. *Regional crisis stabilization facilities for adults*~~

This bill requires DHS to award grants to regional crisis stabilization facilities for adults based on criteria established by DHS. Current law requires certification by DHS in order to operate a youth crisis stabilization facility, which is a facility designed to prevent or de-escalate the minor's mental health crisis and avoid admission of the minor to a more restrictive setting.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.435 (5) (dg) of the statutes is created to read:

3 20.435 (5) (dg) *Regional crisis stabilization facilities.* The amounts in the

4 schedule to provide grants to regional crisis stabilization facilities under s. 51.03 (7).

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Analysis -
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State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1898/P4
MES:wlj&cdc

DOA:.....Quinn, BB0309 - Tax-advantaged first-time home buyer accounts
FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

3
1. ***Tax-advantaged first-time home buyer accounts***

This bill creates a tax-advantaged first-time home buyers savings account. Under the bill, an individual may create the account and must designate a beneficiary of the account, which may be the account holder. The beneficiary must be an individual who is a first-time home buyer, which is defined as someone who resides in this state and has not owned or purchased a single-family residence during the 36 months before the month in which the individual purchases the residence in this state. An account holder may withdraw funds from the account to pay the down payment and eligible closing costs for the purchase of a single-family residence in this state by the beneficiary or to reimburse the beneficiary for eligible costs. The account holder may not use funds from the account to pay any expenses he or she incurs in administering the account, although the financial institution may deduct a service fee from the account.

Beginning in taxable year 2020, annually, an account holder may subtract from his or her federal adjusted gross income (FAGI) up to \$5,000, or \$10,000 if the account holder files a joint income tax return, of the amount he or she contributes to an account, as well as any gain that is redeposited into the account. An account holder

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may not claim a subtraction for more than a total of \$50,000 of deposits into an account for each beneficiary.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 71.05 (6) (a) 29. of the statutes is created to read:

2 71.05 (6) (a) 29. For an account holder or an account holder's estate, with regard
3 to an account described under s. 71.10 (10):

4 a. Any amount that is distributed to an account holder under s. 71.10 (10) (d)
5 3. or to an account holder's estate under s. 71.10 (10) (d) 4.

6 b. Any amount that is withdrawn from the account for any reason other than
7 payment or reimbursement of eligible costs as defined under s. 71.10 (10) (a) 3.,
8 except that this subd. 29. b. does not apply to the transfer of funds to another account
9 as described under s. 71.10 (10) (c) 4. or funds that are disbursed pursuant to a filing
10 for bankruptcy protection under 11 USC 101 et seq.

11 **SECTION 2.** 71.05 (6) (b) 54. of the statutes is created to read:

12 71.05 (6) (b) 54. For each account an account holder creates under s. 71.10 (10),
13 and subject to s. 71.10 (10) (d), an account holder may subtract an amount of up to
14 \$5,000, or an amount of up to \$10,000 if the account holder files a joint income tax
15 return, for each such account that the account holder deposits into such an account
16 in the taxable year to which the subtraction relates, and any interest, dividends, or
17 other gain that accrues in the account if the interest, dividends, or other gain is
18 redeposited into the account.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2067/P2

JK:ahe&amn

DOA:.....Quinn, BB0387 - Increase in refundable portion of research credit

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

1. Research credit

Current law allows a person to claim a tax credit equal to a percentage of the person's expenses to conduct research in this state. For example, a person may claim 11.5 percent of the amount of the expenses that exceed 50 percent of the person's average research expenses for the previous three years on research involving engines or hybrid-electric vehicles. The credit is partially refundable. If the credit exceeds the amount of the person's tax liability, the person receives a refund in an amount not exceeding 10 percent of the person's claim. Any amount not used to offset the person's tax liability or paid as a refund may be claimed as a credit against the person's tax liability in subsequent years.

This bill increases the amount that a person may receive as a refund. Under the bill, a person may receive a refund in an amount not exceeding 20 percent of the person's claim. However, the bill prohibits a person certified to claim the electronics and information technology manufacturing zone credit from receiving the refund.

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3. *School levy and first dollar property tax credits*

This bill eliminates the school levy and first dollar property tax credits. Currently, each municipality receives payments from the state to use for the credits and the municipalities apply those credits to each person's property tax liability. For the school levy credit, each municipality receives a payment equal to its proportionate share of the sum of average school levies for all municipalities. Currently, the total amount of the school levy credit that is distributed each year is \$940,000,000. For the first dollar credit, each municipality receives a payment determined by multiplying the school tax rate by the estimated fair market value of every parcel with improvements, such as a building, that is located in the municipality. Currently, the total amount of the first dollar credit that is distributed each year is \$150,000,000. Under the bill, the last distribution of both credits occurs in 2020.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2232/P1
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DOA:.....Aslesen, BB0453 - Driver's cards

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

1. Driver's cards

Under 2007 Wisconsin Act 20, certain provisions specified in the federal REAL ID Act of 2005 (REAL ID) were incorporated into state law and these provisions became effective on January 1, 2013. Among these provisions was the requirement that DOT follow certain procedures in processing applications for driver's licenses and identification cards. However, under 2011 Wisconsin Acts 23 and 32, DOT may process applications for driver's licenses and identification cards in a manner other than that required by REAL ID if the driver's licenses and identification cards are marked to indicate that they are not REAL ID compliant, and DOT processes the applications in compliance with DOT practices and procedures applicable immediately prior to implementation of REAL ID.

Under current law, an applicant for a driver's license or identification card, regardless of whether it is REAL ID compliant or REAL ID noncompliant, must provide to DOT (1) an identification document that includes either the applicant's photograph or both the applicant's full legal name and date of birth; (2) documentation, which may be the same as item 1, above, showing the applicant's date of birth; (3) proof of the applicant's social security number or verification that the

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applicant is not eligible for a social security number; ^{id re} ④ documentation showing the applicant's name and address of principal residence; and ^{id re} ⑤ documentary proof that the applicant is a U.S. citizen or is otherwise lawfully present in the United States. However, in processing an application for a REAL ID noncompliant driver's license or identification card, DOT is not required to meet the standards for document retention and verification that are imposed for REAL ID compliant products.

DOT Under this bill, an applicant for a REAL ID noncompliant driver's license or identification card (noncompliant REAL ID) is not required to provide documentary proof that the applicant is a U.S. citizen or is otherwise lawfully present in the United States. Also, an applicant may, in lieu of item ¹ ① above, provide an individual taxpayer identification number, a foreign passport, or any other documentation deemed acceptable to ~~the department~~ and, in lieu of items ² ② and ⁴ ④ above, provide documentation deemed acceptable to ~~the department~~. ^{DOT} If the applicant does not have a social security number, the applicant is required to provide verification only that he or she does not have one, rather than verification that he or she is not eligible for one. In processing an application for, and issuing or renewing, a noncompliant REAL ID, DOT may not include any question or require any proof or documentation as to whether the applicant is a U.S. citizen or is otherwise lawfully present in the United States. The bill does not change any current law requirements related to driver qualifications such as minimum age or successful completion of knowledge and driving skills tests.

Under current law, most driver's licenses issued by DOT are issued for an initial two-year period and must be renewed every eight years thereafter. In general, an applicant for renewal of a driver's license must pass an eyesight test and have his or her photograph taken with each renewal. Most identification cards issued by DOT are issued for an initial period of eight years and are renewable for eight-year periods thereafter, and applicants, generally, must have their photograph taken with each renewal.

Under this bill, an applicant for a noncompliant REAL ID who does not provide a social security number is issued a noncompliant REAL ID that displays, on its face, the words "Not valid for voting purposes. Not evidence of citizenship or immigration status." and that has a four-year renewal period rather than an eight-year renewal period. With each renewal, DOT has discretion whether or not to take a new photograph and, for a driver's license, give an eyesight test. However, DOT must take a new photograph and, for a driver's license, give an eyesight test at least once every eight years.

With limited exceptions, DOT may not disclose social security numbers obtained from operator's license or identification card applicants. This bill prohibits DOT from disclosing the fact that an applicant has verified to DOT that the applicant does not have a social security number, except that DOT may disclose this information to the Elections Commission.

This bill also prohibits discrimination on the basis of a person's status as a holder or a nonholder of a noncompliant REAL ID, adding this license status as a prohibited basis for discrimination in employment, housing, and the equal enjoyment of a public place of accommodation or amusement.