

## Fiscal Estimate - 2025 Session

☒ Original      ☐ Updated      ☐ Corrected      ☐ Supplemental

<b>LRB Number</b> <b>25-2187/2</b>	<b>Introduction Number</b> <b>AB-0363</b>
<b>Description</b> establishing a dairy cattle innovation program	
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate     <input type="checkbox"/> Increase Existing Appropriations     <input type="checkbox"/> Decrease Existing Appropriations     <input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget                                     <input type="checkbox"/> Yes                      <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs</div></div> <b>Local:</b> <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate     1. <input type="checkbox"/> Increase Costs                      3. <input type="checkbox"/> Increase Revenue         <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory     2. <input type="checkbox"/> Decrease Costs                      4. <input type="checkbox"/> Decrease Revenue         <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><b>5. Types of Local Government Units Affected</b> <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 33%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div style="width: 33%;"><input type="checkbox"/> Cities</div></div></div></div>	

## Fiscal Estimate Narratives

WEDC 7/24/2025

LRB Number	25-2187/2	Introduction Number	AB-0363	Estimate Type	Original
<b>Description</b> establishing a dairy cattle innovation program					

### Assumptions Used in Arriving at Fiscal Estimate

SB-0323 directs WEDC to establish and administer a dairy cattle innovation program for the state of Wisconsin. The proposal consists of WEDC providing no-interest loans to 'milk producers' under s. 97.22 (1) (f). in Wisconsin to improve their dairy operation.

Applicants are eligible for a dairy innovation loan if at least 98% of their employees/employee payroll are located in Wisconsin. The applicant cannot have violated any federal, state, or local laws related to environment, worker safety, food processing, or food safety within the past five years. The applicant's employees must all be legally authorized to work in Wisconsin. The applicant cannot have any open bankruptcy proceeding. The size of the dairy operation must be between 50 to 714 producing dairy cows.

The no-interest loan can be used by eligible milk producers to incorporate methods/technology to improve milk production efficiencies, improve animal care and health, improve milk quality, or reduce the negative environmental effects associated with manure management or other dairy operation activities. The loan can also be used to finance the expansion of a dairy operation through the purchase/rental of buildings and equipment.

In the administering of the loan, the Corporation must give priority to applicants that propose the loan will enable the milk producer to create new skilled jobs, improve milk production/manure management practices, reduce the negative environmental effects of per fluid gallons of milk produced, or improve labor efficiencies.

The proposal does not detail any appropriation or staffing to finance the cost of the program and would place an unfunded mandate upon the Corporation. The WEDC does not have funding available to finance the costs of the proposal, so the costs are not absorbable by the Corporation. Consequently, the proposal would take away significant resources from the Corporation's other programs and activities.

Alongside needing an appropriation to finance the loans, the Corporation estimates that at least two FTEs would be required to verify the loan requirements regarding headcount, payroll, background checks, legal employment status of employees, and number of cows.

Furthermore, any loans that could be issued under the proposal would likely be ineffective for potential borrowers due to the statutory requirement under s. 238.124(2) that mandates WEDC adherence to commonly accepted lending practices. This includes market-aligned interest rates and standard collateral requirements, which would in essence not address any market gaps for milk producers to access capital as the proposal intends.

### Long-Range Fiscal Implications