



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

October 31, 2023

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: September 2023 Special Session Senate Bill 1

September 2023 Special Session Senate Bill 1 was introduced on September 21 by the Committee on Senate Organization, at the request of the Governor. The bill was referred to the Senate Committee on Economic Development and Technical Colleges. On October 16, that Committee adopted Senate Substitute Amendment 1 to the bill and recommended the bill for passage, as amended, on a vote of 4-2. On October 17, the Senate passed SS SB 1, as amended by SSA 1, on a vote of 21-11. The bill was immediately messaged to the Assembly. On October 26, the bill was referred to the Joint Committee on Finance.

Following is a summary of each of the provisions of SSA 1 to September 2023 SS SB 1.

1. Individual Income Tax Reductions

Expand Private School Tuition Deduction Limits. The state individual income tax uses federal adjusted gross income (AGI) as the starting point in determining taxable income. Several modifications are made to federal AGI to arrive at Wisconsin AGI, including a state deduction for tuition paid for a pupil to attend private school.

Beginning in tax year 2014, taxpayers may deduct amounts paid for tuition to a private school for state tax purposes. The deduction is limited to expenses of up to \$4,000 per year per pupil enrolled in kindergarten through grade eight and \$10,000 per year per pupil enrolled in grades nine through twelve. The pupil must be a dependent of the claimant for federal income tax purposes and be enrolled in kindergarten or grades one through twelve of a private school, as defined in state law, that meets all the criteria for a private school. The deduction cannot be claimed if the tuition expenses are paid using a distribution from a 529 account.

The substitute amendment would increase the private school tuition deduction to \$5,070 (kindergarten through grade eight) and \$12,660 (grades nine through 12) beginning in tax year 2023. The increase would reflect changes to the consumer price index for all urban customers, U.S. city

average (CPI-U) since 2014. Beginning in tax year 2024, the deduction limits would be adjusted for inflation annually by the Department of Revenue (DOR) based on the change in the CPI-U for August of the previous year over the CPI-U for August, 2022, provided the adjustment is not a negative number, and DOR would have to incorporate the changes into its income tax forms and instructions. Each deduction limit that is adjusted would be rounded to the nearest multiple of \$10, and if the revised amount is a multiple of \$5 the amount would be increased to the next higher multiple of \$10. This provision is estimated to reduce individual income tax revenues by \$1.1 million in 2023-24 and \$1.2 million in 2024-25.

Reduce the Rate Applicable to the Third Income Tax Bracket. Taxable income, the amount of income actually subject to tax, is calculated under current law by subtracting the state sliding scale standard deduction and personal exemptions from Wisconsin AGI. Table 1 displays the rate and bracket schedule applicable to taxable income in tax year 2023 under current law. Pursuant to 2023 Act 19, the 2023-25 biennial budget act, the bottom two rates were reduced from 4.65% and 3.54% to 4.40% and 3.50%, respectively, beginning in tax year 2023.

TABLE 1

Current Law Tax Rate and Bracket Schedule, Tax Year 2023

<u>Tax Rate</u>	<u>Income Tax Brackets by Filing Status</u>		
	<u>Single and Head-of-Household</u>	<u>Married-Joint</u>	<u>Married-Separate</u>
3.50%	\$0 to \$13,810	\$0 to \$18,420	\$0 to \$9,210
4.40%	13,810 to 27,630	18,420 to 36,840	9,210 to 18,420
5.30%	27,630 to 304,170	36,840 to 405,550	18,420 to 202,780
7.65%	304,170 and over	405,550 and over	202,780 and over

Beginning in tax year 2023, the substitute amendment would reduce the marginal tax rate applicable to the third bracket from 5.30% to 4.40%. As a result, the third bracket would be consolidated into the second bracket. It is estimated that this provision would reduce individual income tax revenues by \$1,048.3 million in 2023-24 and \$1,030.2 million in 2024-25. The estimate for 2023-24 also includes one-time revenue impacts, which result from differences in timing between the state fiscal year and the tax year. The rate and bracket structure that would apply in tax year 2023 is displayed in Table 2.

TABLE 2

Tax Rate and Bracket Schedule under SSA 1 to SS SB 1, Tax Year 2023

<u>Tax Rate</u>	<u>Income Tax Brackets by Filing Status</u>		
	<u>Single and Head-of-Household</u>	<u>Married-Joint</u>	<u>Married-Separate</u>
3.50%	\$0 to \$13,810	\$0 to \$18,420	\$0 to \$9,210
4.40%	13,810 to 304,170	18,420 to 405,550	9,210 to 202,780
7.65%	304,170 and over	405,550 and over	202,780 and over

Expand the Credit for Child and Dependent Care Expenses. Once the state's marginal income tax rate and bracket schedule is applied to taxable income, the amount calculated is the taxpayer's gross tax liability. Taxpayers may subtract any eligible nonrefundable credits to arrive at net tax liability. Nonrefundable credits cannot be used in excess of gross tax liability.

Federal law provides a nonrefundable individual income tax credit for child and dependent care expenses that are paid for the purpose of enabling a taxpayer to be gainfully employed. The maximum amount of expenses that can be claimed for the federal credit is \$3,000 if the claimant has one qualifying child (under the age of 13) or dependent (generally an individual who is physically or mentally unable to care for himself or herself) and \$6,000 if the claimant has more than one qualifying child and/or dependent. Eligible expenses under the credit are reduced dollar-for-dollar for any amounts excluded as dependent care assistance benefits (a separate state and federal tax benefit for child and dependent care expenses).

The federal credit is calculated as a percentage of eligible expenses, with the percentage ranging from 35% to 20%, depending on the claimant's federal AGI. For tax year 2023, the maximum reimbursement percentage of 35% begins to phase down once federal AGI exceeds \$15,000. The minimum reimbursement percentage of 20% is provided once a taxpayer's federal AGI reaches \$43,000. Assuming a claimant has total expenses equal to or exceeding the maximum allowed (\$3,000 for one qualifying child and \$6,000 for two or more), the maximum federal credit amount is between \$1,050 and \$600 for one child and between \$2,100 and \$1,200 for two or more children.

State law provides a nonrefundable credit for child and dependent care expenses equal to 50% of the corresponding federal credit. The state credit acts as a supplement to the federal credit and reimburses between 10% and 17.5% of the claimant's eligible expenses. Assuming a claimant has total expenses equal to or exceeding the maximum allowed (\$3,000 for one qualifying child and \$6,000 for two or more), the maximum state credit amount is between \$525 and \$300 for one child and between \$1,050 and \$600 for two or more children.

Together, the state and federal credits reimburse between 30% and 52.5% of eligible expenses for the first \$3,000 of expenses (\$6,000 for two or more children/dependents). The maximum combined credit is between \$1,575 and \$900 for one child and between \$3,150 and \$1,800 for two or more children.

The substitute amendment would, beginning in tax year 2023, expand the nonrefundable state credit for child and dependent care expenses to equal 100% of the corresponding federal credit claimed on the claimant's federal income tax return in the same tax year. The credit would be further expanded such that the maximum allowable expenses under the state credit would equal \$10,000 for one qualifying dependent (instead of \$3,000) and \$20,000 for two or more qualifying dependents (instead of \$6,000). This provision is estimated to reduce individual income tax collections by \$71.3 million in 2023-24 and \$72.9 million in 2024-25.

The substitute amendment would increase the state credit by between \$2,975 (for individuals with federal AGI below \$15,000) and \$1,700 (for individuals with federal AGI over \$43,000) for a taxpayer with one child and between \$5,950 and \$3,400 for a taxpayer with two or more children relative to current law. As a result, combined with the federal credit, a maximum credit would be available to taxpayers equal to between \$4,550 and \$2,600 for one child and between \$9,100 and

\$5,200 for two or more children.

Interactive Effects. Interactive effects may occur when multiple tax law changes impact an individual's tax liability. For example, if a tax change reduces a taxpayer's liability to \$0, the fiscal effect of a subsequent change generally cannot further reduce it (and so the interactive effect of the two must be less than adding together each change's separate fiscal effect). In such cases, the interactive effect would be shown as a positive amount. Under the substitute amendment, multiple tax reductions have the combined effect, relative to each proposal if enacted separately, of increasing state revenue by \$1.6 million annually.

Net Effect of Income Tax Reductions. The substitute amendment is estimated to reduce individual income tax collections by \$1,119.1 million in 2023-24 and \$1,102.7 million in 2024-25. This estimate, and the attached distributional table, are based on a simulation by DOR. Table 3 displays the fiscal estimate of these provisions for each year of the 2023-25 biennium. With these reductions in individual income tax collections, estimated general fund interest earnings would be reduced by \$25 million in 2023-24 and \$65 million in 2024-25.

TABLE 3

SSA 1 to SS SB 1: Individual Income Tax Reductions by Provision, 2023-25 Biennium (Millions)

<u>Provision</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2023-25 Biennium</u>
Reduce 5.30% Rate to 4.40%	-\$1,048.3	-\$1,030.2	-\$2,078.5
Expanded Private Tuition Deduction	-1.1	-1.2	-2.3
Expanded Child and Dependent Care Credit	-71.3	-72.9	-144.2
Interactive Effect	<u>1.6</u>	<u>1.6</u>	<u>3.2</u>
Total	-\$1,119.1	-\$1,102.7	-\$2,221.9

The attachment displays the estimated distributional impact of the expanded deduction for private school tuition expenses, the expanded credit for child and dependent care expenses, and the rate reduction for tax year 2023. As shown in the attachment, it is estimated that 1.64 million filers would receive tax decreases totaling \$1,048.4 million, for an average decrease of \$641 in tax year 2023.

DOR indicates that it has begun drafting tax forms and programming (along with third-party software developers) for tax year 2023, and that it will print tax forms and instructions by October 15, 2023. The proposed tax changes may delay the start of income tax filing season, which may in turn delay taxpayers' ability to file their returns and claim any refunds for which they are eligible.

[Amendment Sections: 27 thru 35]

2. Provider Assistance for Licensing (PAL) Program

Require the Wisconsin Economic Development Corporation (WEDC) to request, on or before

March 1, 2024, that the Joint Finance Committee supplement WEDC's continuing GPR child care fund appropriation. Specify that the requested funding must be used for the PAL program, which the substitute amendment defines as a program to assist unregulated providers of child care to become certified child care providers or licensed child care centers through methods including: (a) grant funding; (b) waiver of licensure fees; and (c) assistance with compliance with regulations, training and certification, and completing background checks.

Provisions of 2023 Act 19 (the 2023-25 biennial budget act) created the child care fund continuing GPR appropriation under WEDC and provided \$15,000,000 GPR in 2023-24 to the Committee's supplemental appropriation for this purpose. The PAL program is currently administered by the Wisconsin Early Childhood Association through a grant from the Department of Children and Families. The PAL program supports prospective entrepreneurs, unregulated providers, and newly licensed providers to start up child care programs and connect them to available services, with particular emphasis in the Northern and Western regions of the state. Although not specified in the substitute amendment, the WEDC child care fund appropriation is intended to support expanding the PAL program statewide.

[Amendment Section: 9149(1)]

3. Review of Bills Creating Occupational or Business Licenses

Require the Department of Administration (DOA) to prepare a report for any proposed legislation regarding creation of occupational or business licensing within 30 business days after it is introduced and publish the report on DOA's website. Require the report to be distributed before any vote is taken on the bill by either house of the Legislature if the bill is not referred to a standing committee, or before any public hearing is held before any standing committee or, if no public hearing is held, before any vote is taken by the committee. Further, define "licensing" to include any permit, certificate, approval, registration, charter, or similar form of permission.

For the report, require DOA to request: (a) information from any individual or business likely to be affected by the proposed licensure requirement; and (b) a statement or analysis from the agency administering the licensure requirement. Require that individuals, businesses, and agencies comply with requests from DOA for information that is reasonably necessary to prepare the report. Further, require that reports to the greatest extent possible be based on the information obtained from individuals, businesses, and agencies.

Specify that the bill jacket of applicable bills have the report requirement noted when the jacket is prepared, and the Legislative Reference Bureau submit a copy of the bill to DOA when the bill is introduced. Require that the report be printed as an appendix to the bill and be distributed in the same manner as amendments.

Specify that the report include the following: (a) an evaluation of whether the unregulated practice of the profession, occupation, or business can harm or endanger the health, safety, or welfare of the public; (b) an evaluation of whether the public would benefit from the requirement of the license; (c) an evaluation of the least restrictive regulation that would effectively protect the public; (d) an analysis of the licensure requirements for the profession, occupation, or business in other states, including educational and reciprocity requirements; (e) an estimate of the number of

individuals or businesses that would be affected by the requirement; (f) an estimate of the total additional financial burden that would be imposed on an individual or business as a result of the licensure requirement, including educational costs or other costs and fees; and (g) any statement or analysis from the agency that would administer the licensure requirement.

In relation to the component of the report evaluating the least restrictive regulation that would effectively protect the public, define "least restrictive regulation" as one of the following, from least restrictive to most restrictive: (a) market competition; (b) third-party or consumer-created ratings and reviews; (c) private certification; (d) a specific private civil cause of action to remedy consumer harm; (e) the designation of an unfair trade practice or method of competition in business; (f) the regulation of the process of providing the specific goods or services to consumers; (g) an inspection requirement; (h) a bonding or insurance requirement; (i) a registration requirement; (j) a governmental certification requirement; and (k) an occupational license requirement.

Further, utilize the following definitions with regard to determining the least restrictive regulation:

"Certification": a voluntary program to which the following apply: (a) a private organization or the state grants a nontransferable recognition to an individual who meets certain personal qualifications established by the private organization or law; (b) upon approval, the individual may use "certified" as a designated title; and (c) a noncertified individual may perform the occupation for compensation but may not use the title "certified."

"Occupational license": a program to which the following apply: (a) the state grants a nontransferable authorization to an individual who meets certain personal qualifications established by law in order to perform an occupation for compensation; and (b) it is unlawful for an individual who does not possess authorization to perform the occupation for compensation.

"Registration": a program to which the following apply: (a) the program requires an individual to provide notice to the state that may include the individual's name and address, the individual's agent for service of process, the location of the activity to be performed, and a description of the service the individual provides; (b) the program does not require certain personal qualifications to be satisfied, but may require a bond or insurance; (c) upon registering, the individual may use "registered" as a designated title; and (d) a nonregistered individual may not perform the occupation for compensation or use "registered" as a designated title.

"Personal qualifications": criteria related to an individual's personal background and characteristics, including completion of an approved educational program, satisfactory performance on an examination, work experience, or other evidence of attainment of requisite skills or knowledge, moral standing, criminal history, and completion of continuing education.

Specify that provisions related to the review of bills creating occupational or business licenses would take effect on the 14th day after publication, and would first apply to any bill introduced on the effective date.

[Amendment Sections: 1, 9328(1), and 9428(1)]

4. Occupational License Review Council

Create an Occupational License Review Council attached to the Department of Safety and Professional Services (DSPS), consisting of the following nine members: (a) four members appointed by the Governor to serve at the pleasure of the Governor; (b) two members of the Senate appointed by the Senate Majority Leader; (c) two members of the Assembly appointed by the Speaker of the Assembly; and (d) the DSPS Secretary, or his or her designee, to serve as chair of the Council. Specify that the DSPS Secretary or the Secretary's designee is a nonvoting member, except that member may vote in the case of a tie. Require that all members be appointed no later than June 30, 2024, and no later than June 30 of every 10th year after. Additionally, require that the DSPS Secretary convene the Council no later than July 8, 2024, and no later than the second Monday in July of every 10th year thereafter.

Require the Council's decennial report to recommend any occupational licensing requirements that should be considered for elimination or modification. Specify the Council's recommendations be based on the following: (a) whether the unregulated practice of a profession, occupation or trade clearly harms or endangers public health, safety or welfare, and whether the potential for the harm is recognizable and not remote or speculative; (b) an evaluation of whether the public reasonably benefits from the occupational license requirement; (c) an evaluation of whether the public can be effectively protected by any means other than requiring an occupational license, and whether the occupational license is the least restrictive regulation, as defined previously; (d) an analysis of whether licensure requirements for the regulated profession, occupation, or trade exist in other states, including educational and reciprocity requirements; (e) an estimate of the number of individuals or entities that are affected by the occupational license requirement; (f) an estimate of the total financial burden imposed on individuals or entities as a result of the occupational licensure requirement, including education or training costs, examination fees, private credential fees, occupational license fees imposed by the state, and other costs individuals or entities incur in order to obtain the required occupational license; and (g) any statement or analysis provided by the agency or board administering the occupational license.

[Amendment Sections: 13 and 84]

5. Reciprocal Credentials

Extension of Reciprocal Credential Authority. Extend statutory allowances for reciprocal credentialing to all persons, rather than military service members, former service members, and their spouses, as provided under current law. The extension of reciprocity would be available to all health and business professions regulated by the Department of Safety and Professional Services (DSPS) and associated credentialing boards, as well as buildings trades, which are generally regulated by DSPS.

The statutes provide that persons may receive a reciprocal credential from DSPS or other credentialing boards if the person: (a) holds a credential, issued by another jurisdiction, that qualifies the individual to perform the acts authorized under the appropriate Wisconsin credential; (b) is an active-duty member of the military, former service member, or spouse of either type of applicant; (c) resides in Wisconsin; (d) is in good standing in any other jurisdictions that have issued the person a credential; and (e) pays any issuance fees. The substitute amendment would delete certain

references specific to military service to extend these authorizations to Wisconsin residents with credentials from other states. Reciprocal credentials issued by the Accounting Examining Board or Real Estate Examining Board would not be considered to grant individuals certain limited rights to practice law, unless they are otherwise licensed to practice law in this state.

In addition, the substitute amendment would require DSPS to carry out the following with regard to regulated health care providers: (a) determine whether there are any provisions in statute for granting a reciprocal credential that require an examination of the equivalence, comparability, or similarity of the credentialing requirements in other states or territories in the United States; (b) review the laws of every other state to determine if and how the laws of each state compare to the laws of this state and whether each state's laws qualify, for purposes of granting a reciprocal credential under that provision; and (c) post the results of the reviews on the DSPS website. The substitute amendment would require DSPS to consult with the appropriate credentialing boards and to post the results at least every four years. The Department would be authorized to expedite credentials and promulgate rules necessary to perform the responsibilities outlined.

Temporary Credentials. Expand current authorizations for temporary practice by out-of-state health care providers to apply to any individual credentialed under Chapters 440 through 480 of the statutes, pertaining to occupational regulations for most health and business professions. Authorize any individual with an unexpired, valid remote credential to practice in Wisconsin, subject to responsibilities, insurance requirements, limitations on scope of practice, and other provisions as apply to holders of state-issued credentials. A "remote credential" would include a license, permit, certificate, or registration granted to an individual by another state or territory that authorizes or qualifies the individual to perform acts that are substantially the same as those an individual with a Wisconsin-issued credential is authorized or qualified to perform.

2021 Wisconsin Act 10 enacted various statutory changes in response to the COVID-19 pandemic. Among the changes were authorizations for holders of valid out-of-state credentials in multiple health care occupations to receive temporary credentials to practice in Wisconsin. A provider is to apply for a temporary credential within 30 days of beginning practice in Wisconsin, and the provider also must apply for a permanent Wisconsin credential. A provider cannot be, to the best of their knowledge, under investigation or subject to other credential restrictions. A preliminary credential under current law and the bill expires on the date a permanent credential is issued or denied by DSPS or a credentialing board.

Further, under 2021 Act 10 and the substitute amendment, a health care provider practicing only during a national emergency declared by the U.S. President in response to the COVID-19 virus is not required to apply for a permanent credential. A temporary credential for such a health care provider expires on the earlier of: (a) the date of issuance or denial of a permanent credential by DSPS or a credentialing board; or (b) 30 days after the expiration of the national emergency. The provision is not currently in effect due to the expiration of the national emergency in April, 2023. However, the substitute amendment would retain the authorizations and expand the list of eligible health care professions to include the following: (a) genetic counselors; (b) radiographers; (c) naturopathic doctors; and (d) dental hygienists and expanded function dental auxiliaries.

[Amendment Sections: 36 thru 42, 44, 104, 118 thru 121, 123 thru 136, 138, and 139]

6. Unemployment Insurance (UI) - Drug Testing

Require the Department of Workforce Development (DWD) to immediately promulgate a permanent rule to implement the UI occupational drug testing requirement under current law. Under current law, when a claimant applies for UI benefits, DWD determines whether the claimant is an individual for whom suitable work is only available in an occupation that regularly conducts testing. If the claimant's only suitable work is in an occupation that regularly conducts drug testing, as determined by the U.S. Department of Labor (USDOL) and DWD rules, DWD must screen the claimant to determine whether the claimant should be required to submit to a drug test. The results of the initial screening must provide a reasonable suspicion that the claimant has engaged in the unlawful use of controlled substances for the claimant to be required to submit to a drug test. If the claimant refuses to submit to a drug test or tests positive for a controlled substance for which the claimant does not have a valid prescription, the claimant is ineligible for UI benefits. A claimant who tests positive may maintain eligibility for UI benefits for each week in which they are in full compliance with a state-sponsored substance abuse treatment program and a state-sponsored job skills assessment. Final USDOL rules regarding which occupations can be subject to drug testing took effect November 4, 2019. USDOL's determination of what occupations regularly conduct drug testing includes those occupations for which each state has a factual basis for finding that employers in that state conduct drug testing as a standard eligibility requirement for employing or retaining employees in the occupation. On January 16, 2020, the Wisconsin Unemployment Insurance Advisory Council approved a draft scope statement for the administrative rule related to occupational drug testing. There has been no further action to promulgate rules for the occupational drug testing program. Specify that this provision take effect on the first Sunday after publication.

[Amendment Sections: 56, 57, and 9450(3)]

7. Unemployment Insurance - Reemployment

Specify that, in carrying out the state's reemployment services and eligibility assessments (RESEA) program using federally-awarded RESEA grant funds, the Department of Workforce Development (DWD) must, except for certain claimants exempt from work search and work registration requirements under current law, provide reemployment services to all claimants receiving UI benefits, including benefits under the extended and supplemental programs, by doing all of the following for each such claimant: (a) requiring the claimant to complete an online assessment aimed at identifying the claimant's skills, abilities, and career aptitude; (b) coordinating with the claimant to develop an individualized employment plan for the claimant; (c) requiring the claimant to participate in certain reemployment services, trainings, and workshops as described under current UI law, as needed pursuant to the individualized employment plan. Further specify that, except for certain UI benefit claimants exempt from work search and work registration requirements under current law, DWD must, when a claimant's remaining UI benefit entitlement is three or less times the claimant's weekly benefit rate, do all of the following: (a) require the claimant to participate in a live, one-on-one reemployment counseling session between the claimant and an employee of the department; and (b) provide the claimant information about services and benefits that are available to the claimant pursuant to the federal Workforce Innovation and Opportunity Act of 2014, once the claimant exhausts his or her benefit entitlement. Specify that this provision first apply with respect to weeks of unemployment beginning on the first Sunday after publication.

Under current law, a claimant for UI benefits is required to participate in a public employment office workshop or training program or in similar reemployment services that do not charge the claimant a participation fee and that offer instruction to improve the claimant's ability to obtain suitable work. The substitute amendment would specify that, except for certain UI benefit claimants exempt from work search and work registration requirements under current law, DWD must require a claimant whom the Department identifies as likely to exhaust regular benefits to participate in those same reemployment workshops and training programs as specified under current law. Specify that DWD may require other claimants to participate in these same reemployment workshops and training programs, but that the Department must prioritize claimants who are more likely to have difficulty obtaining reemployment. Specify that this provision first apply with respect to weeks of unemployment beginning on the first Sunday after publication.

Add the following statement to the state's existing public policy declaration pertaining to the state's unemployment insurance program: "The federal Social Security Act requires that, in order for an individual to be eligible for reemployment assistance benefits, the individual must be able to work, available to work, and actively seeking work. The unemployment insurance program in Wisconsin should enact and focus on policies that complement individuals' efforts to find employment." Specify that this provision take effect on the first Sunday after publication.

Require DWD to act to continue to receive grants for reemployment services and eligibility assessments under the existing RESEA program under federal law. Specify that this provision take effect on the first Sunday after publication.

[Amendment Sections: 47, 53 thru 55, 58, 9350(2), and 9450(3)]

8. Unemployment Insurance - Work Search

Under current law, a claimant for unemployment insurance (UI) benefits is eligible in any given week only if the claimant meets a number of conditions, including the requirement of a claimant to conduct a reasonable search for suitable work during that week and provides verification of that search to the Department of Workforce Development (DWD). The search for suitable work must include at least four actions per week that constitute a reasonable search as prescribed by rule of the department. In addition, DWD may, by rule, require a claimant to take more than four reasonable work search actions in any week. The substitute amendment would require DWD, for the 3rd or subsequent week of the claimant's benefit year, that at least two actions per week be direct contacts with potential employing units, as prescribed by rule of the Department. Specify that the Department may require a claimant to apply for one or more of the potential opportunities provided to the claimant on a list provided by DWD and may refer a claimant to opportunities with a temporary help company as part of the required search for suitable work. Require DWD to submit a notice to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register when the Department determines that DWD has any rules in place that are necessary to implement the treatment of this provision. Specify that this provision first applies with respect to weeks of unemployment beginning on the Sunday after the notice of the act is published in the Wisconsin Administrative Register or on December 31, 2023, whichever occurs first.

Specify that if a UI claimant is claiming benefits for a week other than an initial week, the

claimant must, in addition to other requirements specified under current law: (a) submit and keep posted on DWD's job center website a current resume, if the claimant resides in this state; and (b) complete any live one-on-one reemployment counseling session required of the claimant, as provided under the substitute amendment. Make minor changes to statutory language to create a list describing certain requirements of a claimant for UI benefits for a week other than an initial week, rather than a list separated by commas. Specify that this provision first apply with respect to weeks of unemployment beginning on the first Sunday after publication.

Under current law, for the purpose of assisting claimants to find or obtain work, DWD may assess a UI claimant's efforts, skills, and ability to find or obtain work and to develop a list of potential opportunities for a claimant to obtain suitable work. A claimant who otherwise conducts a reasonable search for suitable work is not required to apply for any specific positions on the list in order to satisfy that requirement. The substitute amendment would require DWD to provide each claimant, prior to the claimant filing a weekly claim for benefits, with a list of at least four potential opportunities for a the claimant to obtain suitable work each week, one or more of which may be opportunities with a temporary help company. The substitute amendment would also delete the provision under current law that specifies that a claimant, who otherwise satisfies certain requirements, is not required to apply for any specific positions on the list in order to satisfy that requirement. Specify that this provision first apply with respect to weeks of unemployment beginning on the first Sunday after publication.

[Amendment Sections: 48 thru 52, 9150(1), 9350(1)&(2), and 9450(2)&(3)]

9. Unemployment Insurance - Database Comparisons

Require the Department of Workforce Development (DWD), on at least a weekly basis, to perform a comparison of recipients of unemployment insurance against all of the following for the purpose of detecting fraud or erroneous payments: (a) nationally recognized databases that contain information on death records, including the federal Social Security Administration's death master file; (b) the National Association of State Workforce Agencies' integrity data hub; (c) the national directory of new hires maintained by the Office of Child Support Enforcement in the U.S. Department of Health and Human Services; (d) prisoner databases maintained by the Department of Justice, the Department of Corrections, and the U.S. Department of Justice. Specify that DWD may perform comparisons of recipients of unemployment insurance benefits against other public or private databases in addition to those specified in this provision. Specify that this provision take effect on the first Sunday after publication.

[Amendment Sections: 59 and 9450(3)]

10. Workforce Development - Commercial Driver's License Training Grants

Require the Department of Workforce Development (DWD) to establish and administer a commercial driver license (CDL) training grant program. Specify that a person that satisfies the eligibility requirements of a CDL training grant program may apply to the Department for a grant. Require the Department to prescribe the form, nature, and extent of information that must be contained in grant applications. Specify that an applicant is eligible for a CDL training grant if all of

the following are satisfied: (a) the applicant provides to an individual who resides in this state training in the operation of commercial motor vehicles that satisfies the entry-level driver training requirements under current federal law; (b) the applicant is listed on the Training Provider Registry (TPR), as set forth in the entry-level driver training requirements under current federal law; (c) the applicant has a facility in this state that is listed in the TPR, and the training is provided at or through that facility; (d) the individual for whom the applicant provides training, obtains an initial commercial driver license in this state after the effective date of the bill; and (e) the application is received by DWD before July 1, 2025. Specify that the Department may award grants to eligible applicants. The amount of a grant, in regard to each individual trained, may not exceed 50% of the costs of training the individual in the operation of commercial motor vehicles or \$3,000, whichever is less. Require DWD, before July 1 of each year, to prepare a report summarizing the number and amount of CDL training grants awarded under this provision, and submit the report to the appropriate standing committees of the Legislature. Repeal the CDL training grants program, effective July 1, 2025. The 2023-25 budget, 2023 Act 19, provided \$250,000 annually in one-time funding to the Joint Committee on Finance's supplemental GPR appropriation for the purpose of funding commercial driver license (CDL) training grants.

[Amendment Sections: 45, 46, and 9450(1)]

11. Audiology and Speech-Language Pathology Interstate Compact

Incorporate provisions of 2023 Senate Bill 197/Assembly Bill 208 to ratify the Audiology and Speech-Language Pathology Interstate Compact (ASLP-IC), which is currently active and includes 28 states. In general, the compact is an agreement among states to grant credentialed audiologists and speech-language pathologists the authority to practice in another compact member state, subject to existing laws for the state in which the practice is located, and provided the practitioner's authorization to practice is in good standing.

The ASLP-IC is overseen by a commission consisting of member state representatives. Wisconsin delegates would be current members of the Hearing and Speech Examining Board, and must include one audiologist and one speech-language pathologist. Among the ASLP-IC Commission's powers are: (a) establishing a code of ethics, fees, and bylaws; (b) maintaining a budget and financial records in accordance with bylaws; (c) creating rules to facilitate and coordinate implementation and administration of the compact; and (d) performing any other related functions regarding credentialing, including maintenance of databases of persons with compact privileges.

[Amendment Sections: 4, 17 thru 19, 64, 69, 75, 85, 86, 90, 91, 93, 97, 140, 242, 309 thru 317, 320 thru 326, and 338]

12. Counseling and Social Work Compacts Ratification

Incorporate provisions of 2023 Senate Bill 196/Assembly Bill 207 to ratify the Counseling Compact, and incorporate provisions of 2023 Senate Bill 391/Assembly Bill 382 to ratify the Social Work Licensure Compact. The Counseling Compact is in effect and has been ratified by 30 states. The Social Work Licensure Compact has been ratified by one state and will take effect once enacted by seven states. In general, each compact represents an agreement among states to grant credential

holders in each covered profession the authority to practice in another compact member state, subject to existing laws for the state in which the practice is located, and provided the practitioner's authorization to practice is in good standing.

Counseling Compact. The Counseling Compact is overseen by the Counseling Compact Commission which has general authority to do the following: (a) establish bylaws and rules to facilitate administration of the compact; (b) maintain a budget and financial records in accordance with bylaws; (c) hire employees, elect or appoint officers, fix compensation, and establish personnel policies; (d) provide and receive information from, and cooperate with, law enforcement agencies; and (e) perform various other related functions, including maintenance of databases of persons with compact privileges. Each state is entitled to one delegate on the commission, which would be appointed by the Marriage and Family Therapy, Professional Counseling, and Social Work Examining Board. The delegate would be either of: (a) a current member of the licensing board at the time of appointment, who is a licensed professional counselor or public member; or (b) an administrator of the Board.

Social Work Licensure Compact. The Social Work Licensure Compact would be overseen by a commission with one representative from each member state. The member must be either: (a) a current member of the Marriage and Family Therapy, Professional Counseling, and Social Work Examining Board at the time of appointment, who is a regulated social worker or public member; or (b) an administrator of the Board, or their designee. The commission would have the following powers and duties: (a) establish a code of conduct, rules and bylaws; (b) maintain a budget and financial records in accordance with bylaws; (c) hire employees, elect or appoint officers, fix compensation, and define duties; (d) provide and receive information from, and cooperate with, law enforcement; and (e) perform such other functions as may be necessary or appropriate to achieve the purposes of the compact, including maintenance of databases of persons with compact privileges.

[Amendment Sections: 3, 5 thru 12, 20 thru 22, 24 thru 26, 63, 65, 66, 68, 73, 74, 78 thru 83, 85, 86, 88, 89, 91, 93, 94, 96, 98, 102, 137, 140, 176, 195, 203, 241, 260 thru 285, 287 thru 293, 296 thru 301, 336, 337, 339, and 341 thru 343]

13. Physician Assistant Licensure Compact Ratification

Incorporate provisions of 2023 Senate Bill 400/Assembly Bill 410 to ratify the Physician Assistant (PA) Licensure Compact. The PA Licensure Compact has been ratified by two states, and would take effect upon ratification by seven states. In general, the compact would grant licensed PAs the authority to practice in another compact member state, subject to existing laws for the state in which the practice is located, and provided the practitioner's authorization to practice is in good standing.

The PA Licensure Commission would be responsible for overseeing implementation of the compact. The Commission would have the following general powers and duties: (a) establish a code of ethics, fees, and bylaws; (b) maintain a budget and financial records in accordance with bylaws; (c) promulgate rules to facilitate and coordinate implementation and administration of the compact; (d) provide and receive information from, and cooperate with, law enforcement agencies; (e) approve or disapprove a state's participation in the compact based upon its determination as to whether the

state's compact legislation departs from the model compact language; and (f) perform any other related functions, including maintaining a database of practitioners with compact privileges.

Each participating state would have one delegate selected by that participating state's licensing board or, if the state has more than one licensing board, selected collectively by the participating state's licensing boards. The substitute amendment would require that the delegate to the commission be appointed by the Physician Assistant Affiliated Credentialing Board, and would require that the delegate be either: (a) a current physician assistant, physician or public member of a licensing board of physician assistant council/committee; or (b) an administrator of a licensing board.

[Amendment Sections: 2, 14, 23, 43, 60 thru 62, 67, 70 thru 72, 76, 77, 85 thru 87, 91, 93, 95, 140, 192, 216 thru 223, 225 thru 232, 240, 329, 330, 340, 344, and 345]

14. Investigation of Arrest or Conviction

Specify that the Department of Safety and Professional Services (DSPS), at its discretion, may choose not to investigate the following types of violations when determining applicant eligibility for licensure: (a) first-offense violations of operating vehicles or machinery while intoxicated that occurred more than five years prior to application; (b) certain violations of trying to procure alcohol under the age of 21; and (c) minor, nonviolent ordinance violations as determined by DSPS.

Allow the Department to consult with applicants' employers or entities contracted on behalf of employers, to make determinations as follows: (a) that the applicant does not have an arrest or conviction record; (b) that the applicant has not committed any other offense that is reviewable by DSPS or a credentialing board; or (c) that the circumstances related to the arrest or conviction record of any other offense are not substantially related to the licensed activity. Require any employer or third-party contractor to attest that a determination was made to the best of the organization's knowledge and with a reasonable degree of certainty. Authorize DSPS to review any such attestation. Require the Department to accept or reject a determination within 30 days of receiving information from employers. Exempt DSPS or any credentialing board from being sued or being liable for damages for any determination accepted under these provisions.

[Amendment Section: 92]

15. Renewal Dates

Modify statutory two-year renewal periods in the health and business professions to four-year renewal periods. Authorize the Department of Safety and Professional Services (DSPS) to stagger renewal dates among credential holders to allow for approximately half of credentials to renew every two years, if doing so would be expedient and practical. Also, authorize DSPS and credentialing boards to establish a system to transition credential holders from two-year to four-year terms, but specify that a transition system may not allow for more than one two-year renewal by a credential holder after the bill's effective date. Specify that if a reciprocal credential would expire within 365 days of the date on which a credential is granted, the credential is valid for another term.

Require DSPS to promulgate rules to implement a staggered renewal process. Additionally,

authorize DSPS and credentialing boards to create emergency rules, without the finding of an emergency, to implement other substitute amendment changes related to four-year credential terms. Specify emergency rules may remain in effect until May 1, 2025, or the effective date of permanent rules, whichever is sooner.

Specify that a two-year fee for a credential renewal, pursuant to any transition that DSPS and credentialing boards may administer, is to be one-half of a renewal fee established for a four-year credential term. Further, provide that if the Department or credentialing boards transition to four-year terms prior to the Department establishing fees on the current biennial cost-basis cycle, a renewal fee may be doubled until a new fee is approved.

Under current law and the substitute amendment, DSPS is to recalculate the administrative and enforcement costs of the Department that are attributable to the regulation of each health and business profession. By January 31 of each odd-numbered year, DSPS must adjust each fee, if necessary, for the succeeding biennium to reflect the administrative and enforcement costs attributable to regulating the particular occupation or business. Within 14 days of determining fee levels, the Department is to report the proposed fee adjustments to the Co-Chairs of the Joint Committee on Finance. The Committee has 14 working days after the submission to notify the DSPS Secretary if it wishes to schedule a meeting to review the fee adjustments. If this occurs, the Department may not impose the fee adjustments until the Committee approves the report.

The revenue impact of credentials assuming four-year terms would depend on the transition system DSPS and credentialing boards may utilize. However, the provision allowing DSPS to double renewal fees is intended to allow DSPS to avoid significant revenue changes attributable to altered fee collections during any transition.

Continuing Education Requirements. Amend various sections that require continuing education for credential holders' renewals to require the specified educational hours over each two-year period of a four-year credential term. The effect of these changes is to double current continuing education requirements commensurate with the doubling of credential terms.

Also, authorize DSPS or a credentialing board to specify compensatory continuing education requirements for a person who does not complete specified continuing educational requirements. Authorize DSPS or a credentialing board to deny, limit, suspend, or revoke a credential for a person who does not complete continuing educational requirements in a required period, and provide that such disciplinary actions may be in addition to other violations of credentialing statutes.

Require brokers and salespersons to complete 18 hours of continuing education per two-year period, consistent with current requirements. Require real estate appraisers to complete 28 class hours of continuing education per two-year period, consistent with current requirements under Chapter SPS 85 of the administrative code (real estate appraisers). Require funeral directors to complete 19 hours of continuing education in the first renewal cycle after the date on which a license was first granted, and 15 hours of continuing education in each two-year period preceding the license renewal date, consistent with the current statutory rate for phase-in of continuing education requirements. Maintain requirements that chiropractic radiological technicians complete 12 continuing educational credit hours, and chiropractic technicians complete six hours, in each two-year period immediately preceding the license renewal date determined under the bill's provisions.

Nursing Workforce Survey. Prohibit the Board of Nursing from requiring registered nurses or licensed practical nurses to complete the nursing workforce survey, and pay a corresponding fee, with each license renewal. Require the Board of Nursing to offer applicants an opportunity to complete the survey.

Under current law, the nursing workforce survey is developed by DWD to assist in evaluating the supply of, demand for, and turnover in the nursing workforce. The survey is also to assist in identifying any regions experiencing shortages or impediments to entry into the field. By statute, the cost of the survey is \$4. Revenues in the 2021-23 biennium totaled approximately \$445,200. Most funding is transferred to DWD for development of the survey and distribution of grants to the nonprofit Wisconsin Center for Nursing. The Wisconsin Center for Nursing by statute is to develop strategies to ensure a nursing workforce that is adequate to meet the current and future health care needs of Wisconsin. It is indeterminable at this time how many surveys would be completed each biennium on an optional basis.

Effective Date. Specify that these provisions will take effect on the sixth month beginning after publication.

[Amendment Sections: 99 thru 101, 103, 105 thru 117, 122, 141 thru 146, 148 thru 162, 164 thru 175, 177 thru 191, 194, 196 thru 202, 204 thru 210, 213 thru 215, 224, 233, 234, 236 thru 239, 243 thru 259, 294, 295, 302 thru 308, 318, 319, 327, 328, 331 thru 335, 9138(1), and 9438(1)]

16. Prohibit Statutes and Rules Examinations

Specify that the Department of Safety and Professional Services (DSPS) may not require an applicant for the following credentials to pass a statutes and rules examination as a condition of receiving an initial certification or renewal: (a) certification as a substance abuse counselor, clinical substance abuse counselor, or substance abuse counselor-in-training; (b) prescription privileges for advanced practice nurses; (c) certification as a respiratory care practitioner; (d) licensing for occupational therapists or occupational therapy assistants; (e) licensing as a pharmacist; and (f) licensing as a professional counselor. However, allow DSPS to require an applicant for any of these professions to affirm that the applicant has read and understands the statutes and rules that apply to their practice.

[Amendment Sections: 147, 163, 193, 211, 212, 235, and 286]

17. Apprenticeship Grants for Tribal College Students

Require the Higher Educational Aids Board to award grants to student enrolled in tribal colleges who have undertaken an apprenticeship program in conjunction with their course of instruction at the tribal college. Specify that eligible grant expenses are limited to actual materials expenses, such as the cost of tools, equipment, and clothing, associated with the apprenticeship program. Specify that the maximum grant may not exceed the lesser of \$1,500 per student or the student's actual materials expenses and grants may not total more than \$21,000 in an academic year. Further, require the student's grant application submitted to the Board to include all of the following: (a) a recommendation form signed by the student's apprenticeship employer or another person in the

trades; (b) a statement of how the award would help the student complete the student's apprenticeship program; and (c) a statement signed by the student certifying that the student will be enrolled in the apprenticeship program in the following semester and will use the grant award to pay for materials expenses, such as the cost of tools, equipment, and clothing that are directly related to the apprenticeship program. Require the Board to verify the student's enrollment in the apprenticeship program in which the grant award is made prior to awarding the grant. In addition, specify that the Board may structure the grants to create incentives for completing apprenticeship programs.

[Amendment Section: 16]

18. Wisconsin Technical College System Student Apprenticeship Grants

Require the Wisconsin Technical College System Board to award grants totaling up to \$100,000 in an academic year to students enrolled in technical colleges who have undertaken an apprenticeship program in conjunction with their course of instruction. Specify that grants may not exceed \$1,500 per student and may only pay for actual materials expenses, such as tools, equipment, and clothing, associated with the apprenticeship program. Require grant applications to include a recommendation form signed by the student's employer or another person in the trades, a statement of how the award would help the student complete the apprenticeship program, and a statement signed by the student certifying that the student will be enrolled in the apprenticeship program in the following semester and will use the grant to pay for materials expenses.

[Amendment Section: 15]

BL/lb
Attachment

ATTACHMENT

Estimated Distribution of Taxpayers with a Tax Decrease under SSA 1 to SS SB 1: Reduce 5.30% Rate to 4.40%, Expand Tuition Deduction, and Expand Child and Dependent Care Credit, Tax Year 2023

Wisconsin Adjusted Gross Income	Taxpayers with a Tax Decrease					Count of All Returns	Percent of all Returns in AGI Class
	Count	Percent of Count	Amount of Tax Decrease	Percent of Decrease	Average Decrease		
Under \$5,000	19,459	1.2%	\$235,467	<0.1%	\$12	471,634	4.1%
5,000 to 10,000	10,578	0.6	362,896	<0.1	34	209,351	5.1
10,000 to 15,000	7,629	0.5	420,394	<0.1	55	170,767	4.5
15,000 to 20,000	6,142	0.4	458,470	<0.1	75	149,873	4.1
20,000 to 25,000	6,307	0.4	584,750	0.1	93	149,160	4.2
25,000 to 30,000	8,193	0.5	765,870	0.1	93	154,187	5.3
30,000 to 40,000	42,195	2.6	3,124,031	0.3	74	303,912	13.9
40,000 to 50,000	206,634	12.6	16,127,301	1.5	78	274,215	75.4
50,000 to 60,000	180,589	11.0	29,166,037	2.8	162	224,575	80.4
60,000 to 70,000	171,665	10.5	37,231,383	3.6	217	174,638	98.3
70,000 to 80,000	138,567	8.5	42,580,889	4.1	307	140,806	98.4
80,000 to 90,000	112,354	6.9	45,418,124	4.3	404	114,005	98.6
90,000 to 100,000	96,064	5.9	48,679,697	4.6	507	97,422	98.6
100,000 to 125,000	192,083	11.7	132,727,906	12.7	691	194,557	98.7
125,000 to 150,000	133,996	8.2	129,049,279	12.3	963	135,919	98.6
150,000 to 200,000	143,815	8.8	186,491,360	17.8	1,297	146,414	98.2
200,000 to 250,000	61,132	3.7	106,652,254	10.2	1,745	62,417	97.9
250,000 to 300,000	29,954	1.8	65,353,971	6.2	2,182	30,702	97.6
300,000 to 500,000	43,276	2.6	124,910,728	11.9	2,886	44,313	97.7
500,000 to 1,000,000	17,814	1.1	56,090,524	5.3	3,149	18,317	97.3
1,000,000 and over	7,294	0.4	22,017,993	2.1	3,019	7,623	95.7
Total	1,635,740	100.0%	\$1,048,449,324	100.0%	\$641	3,274,807	49.9%

--In tax year 2023, it is estimated that 1,635,740 filers (49.9% of all filers) would receive tax decreases totaling \$1,048.4 million, for an average decrease of \$641. Taxpayers not receiving a decrease would generally be those who do not have: (a) any taxable income above the bottom two brackets; or (b) child care or private school costs.

--Filers with Wisconsin AGI under \$100,000 would represent 61.5% of all filers with a tax decrease, and would receive 21.5% of the estimated decrease. Their estimated average tax decrease would be \$224 in tax year 2023.

--Filers with Wisconsin AGI of \$100,000 or more would represent 38.5% of all filers with a tax decrease, and would receive 78.5% of the estimated decrease. Their estimated average tax decrease would be \$1,308 in tax year 2023.

--In general, the average decrease rises with Wisconsin AGI over the AGI groups shown above.

Based on a simulation of tax year 2023 by the Department of Revenue.