

# AGRICULTURE, TRADE AND CONSUMER PROTECTION

<b>Budget Summary</b>							
Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	2019-21 Legislature	2019-21 Act 9	Act 9 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$54,913,000	\$60,936,300	\$57,997,700	\$57,997,700	\$57,997,700	\$3,084,700	5.6%
FED	21,640,400	23,091,900	23,091,900	23,091,900	23,091,900	1,451,500	6.7
PR	52,956,000	56,485,700	56,613,200	56,613,200	56,613,200	3,657,200	6.9
SEG	<u>67,826,000</u>	<u>74,715,000</u>	<u>72,672,800</u>	<u>72,672,800</u>	<u>72,672,800</u>	<u>4,846,800</u>	7.1
TOTAL	\$197,335,400	\$215,228,900	\$210,375,600	\$210,375,600	\$210,375,600	\$13,040,200	6.6%
BR		\$10,000,000	\$7,000,000	\$7,000,000	\$7,000,000		

<b>FTE Position Summary</b>						
Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	2020-21 Legislature	2020-21 Act 9	Act 9 Change Over 2018-19 Base
GPR	199.40	203.40	199.40	199.40	199.40	0.00
FED	94.77	84.62	84.62	84.62	84.62	- 10.15
PR	216.72	217.27	218.77	218.77	218.77	2.05
SEG	<u>130.40</u>	<u>131.50</u>	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>0.10</u>
TOTAL	641.29	636.79	633.29	633.29	633.29	- 8.00

## Budget Change Items

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$170,900 GPR, -\$154,300 PR and -\$75,800 FED annually); (b) removal of noncontinuing elements from the base (-\$130,000 PR in 2019-20 and -\$222,700 PR in 2020-21, with -3.0 PR positions, and -\$267,200 FED in 2020-21, with -8.0 FED positions); (c) full funding of continuing position salaries and fringe benefits (\$1,208,400 GPR, \$1,158,700 PR, \$1,287,500 FED, and \$463,600 SEG annually); (d) reclassifications and semi-automatic pay progression (\$4,400 GPR annually, \$33,000 PR in 2019-20 and \$57,400 PR in 2020-21, and \$31,900 SEG in 2019-20 and \$67,500 SEG in 2020-21); and (e) full funding of lease and directed moves costs (\$28,000 GPR in 2019-

	<b>Funding</b>	<b>Positions</b>
GPR	\$2,177,200	0.00
PR	1,785,100	- 3.00
FED	2,171,900	- 8.00
SEG	<u>954,000</u>	<u>0.00</u>
Total	\$7,088,200	- 11.00

20 and \$65,400 GPR in 2020-21, \$10,500 PR in 2019-20 and \$28,100 PR in 2020-21, \$5,200 FED in 2019-20 and \$10,500 FED in 2020-21, and -\$47,100 SEG in 2019-20 and -\$25,500 SEG in 2020-21).

**2. MEDICAL MARIJUANA DISPENSARIES, TESTING LABORATORIES, AND CULTIVATION**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding Positions</b>		<b>Funding Positions</b>		<b>Funding Positions</b>	
GPR	\$35,000	0.00	-\$35,000	0.00	\$0	0.00
PR	<u>301,400</u>	<u>1.50</u>	<u>- 301,400</u>	<u>- 1.50</u>	<u>0</u>	<u>0.00</u>
Total	\$336,400	1.50	-\$336,400	- 1.50	\$0	0.00

**Governor:** Create a program within the Department that authorizes, licenses, and regulates dispensaries and other entities involved in the provision of cannabis and tetrahydrocannabinols (THC) for medical purposes within Wisconsin. For these purposes, create a program revenue continuing appropriation within the Division of Agricultural Resource Management to receive fees associated with administration of the program, and authorize the Department to expend all monies received. Provide 1.5 PR positions for licensing and regulating dispensaries and testing laboratories involved in the distribution of medical cannabis and THC. Estimate program expenditures at \$150,700 PR each year, consisting of \$140,700 PR in salaries and fringe benefits and \$10,000 PR in supplies and services. Further, provide \$35,000 GPR in one-time funding in 2019-20 under the Plant Industry Bureau's general program operations appropriation. Application and annual licensing fees for dispensaries, set at a minimum of \$250 and \$5,000, respectively, would be expected to generate at least \$52,500 PR in 2019-20 and \$50,000 PR in 2020-21.

Agency regulatory functions and other changes to controlled substances laws are discussed in greater detail under "Marijuana-Related Provisions."

**Joint Finance/Legislature:** Delete provision.

**3. SOIL AND WATER RESOURCE MANAGEMENT GRANTS [LFB Paper 536]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
SEG	\$3,000,000	-\$800,000	\$2,200,000

**Governor:** Provide an additional \$1,500,000 annually from the nonpoint account of the segregated environmental fund for soil and water resource management (SWRM) grants and contracts. Funding is intended primarily to support cost-sharing grants for nutrient management planning and other management practices to prevent soil erosion and nutrient runoff to waters of the state. The appropriation also supports producer-led watershed protection grants, which provide funding to producer-led groups for nonpoint source pollution abatement activities. The

administration indicates it intended to include a provision increasing the statutory cap on annual awards for the producer-led watershed protection grant program to \$750,000 from \$250,000, to make permanent the one-time increase provided during the 2017-19 biennium. However, the bill as introduced made no changes.

In general, state law requires that agricultural landowners receive an offer of cost-sharing of at least 70% of the cost of installing a structure or practice if the landowner is to be required to modify an existing structure or operation. Funding for these activities comes from both nonpoint SEG and DATCP general obligation bonding authority; nonstructural practices cannot be supported by bonding and are funded from nonpoint SEG. The following entry discusses the Governor's proposal for increased cost-share bonding.

**Joint Finance/Legislature:** Provide an additional \$1,100,000 nonpoint SEG annually over base funding, including \$850,000 for SWRM cost-sharing grants and \$250,000 for producer-led watershed protection grants. Further, increase the statutory cap on annual awards for the producer-led watershed protection grant program to \$500,000 from \$250,000, and delete obsolete language relating to the \$750,000 one-time increase in the statutory cap during the 2017-19 biennium. Under Act 9, the total available amount for both grants is \$4,425,000 each year.

**Veto by Governor [A-14]:** Retain the \$750,000 annual cap for producer-led watershed protection grants, and make the level permanent. The Governor accomplishes the change by vetoing both the deletion of the \$750,000 reference and the insertion of the \$500,000 cap specified by the Legislature, while retaining the repeal of language specifying the increase be one-time during the 2017-19 biennium.

[Act 9 Section: 130m]

[Act 9 Vetoed Section: 130m (as it relates to the cap on producer-led watershed protection grants)]

#### 4. SOIL AND WATER RESOURCE MANAGEMENT BONDING [LFB Paper 536]

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
BR	\$10,000,000	- \$3,000,000	\$7,000,000

**Governor:** Provide \$10,000,000 in general obligation bonding authority to support cost-sharing grants under the SWRM program. SWRM cost-sharing grants funded by bond revenues support landowner installation of structural best management practices, such as those intended to reduce soil erosion from agricultural lands and provide for manure storage and containment. Bonding authority for these purposes was increased by \$7 million each biennium from 2007-09 to 2017-19. Principal and interest payments on the bonds are supported by the nonpoint account of the segregated environmental fund.

In general, state law requires that agricultural landowners receive an offer of cost-sharing of at least 70% of the cost of installing a structure or practice if the landowner is to be required to

modify an existing structure or operation. Funding for these activities comes from both DATCP general obligation bonding authority and nonpoint SEG. The previous entry discusses the Governor's proposal for increased cost-share SEG.

**Joint Finance:** Provide \$7.0 million, rather than \$10.0 million, in general obligation bonding authority to support cost-sharing grants under the SWRM program.

**Assembly/Legislature:** Include the incremental change of \$7.0 million, rather than the new total bonding amount, in authorizing the additional bonding.

[Act 9 Section: 307]

**5. COUNTY LAND AND WATER CONSERVATION STAFFING GRANTS [LFB Paper 537]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$952,000	- \$952,000	\$0
SEG	<u>1,848,000</u>	<u>- 898,000</u>	<u>950,000</u>
Total	\$2,800,000	- \$1,850,000	\$950,000

**Governor:** Increase grants for county land and water conservation staff by \$1.4 million each year, including \$476,000 GPR and \$924,000 nonpoint SEG. DATCP makes grants to counties for land and water conservation staff that perform work related to achieving state goals for soil conservation and water quality. The Governor's recommendation would provide a total of \$10,364,100 each year, consisting of \$3,503,200 GPR and \$6,860,900 nonpoint SEG.

Grants are awarded in a tiered process, providing each county full funding for its first position, 70% funding for its second position, and 50% funding for subsequent positions as available funds allow. In the 2019 allocation, first positions at each county were fully funded, and approximately two-thirds of requested amounts for second positions were funded. The administration indicates it intends increased funding to fully cover 100% of first position costs and 70% of second position costs. Under the 2019 allocation, full funding of the state share for first and second positions would have cost approximately \$10.3 million. Second positions were last fully funded in the 2010 allocation.

**Joint Finance/Legislature:** Delete the Governor's recommended funding increase and provide base-level funding and an additional \$475,000 nonpoint SEG annually on a one-time basis during the 2019-21 biennium for grants for county land and water conservation staff. Under Act 9, grants are budgeted \$9,439,100 each year in the 2019-21 biennium, consisting of \$3,027,200 GPR and \$6,411,900 nonpoint SEG. Based on counties' 2020 funding requests received by DATCP, it is anticipated grants will support approximately 69% of the state share of second positions (48% of the total cost of second positions).

**6. INDUSTRIAL HEMP PROGRAM STAFF, EQUIPMENT, AND SUPPLIES [LFB Paper 136]**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$678,900	3.00	-\$678,900	- 3.00	\$0	0.00
PR	<u>0</u>	<u>0.00</u>	<u>678,900</u>	<u>3.00</u>	<u>678,900</u>	<u>3.00</u>
Total	\$678,900	3.00	\$0	0.00	\$678,900	3.00

**Governor:** Provide an additional \$462,400 GPR in 2019-20 and \$216,500 GPR in 2020-21 with 3.0 two-year project positions to the industrial hemp program. Of these amounts, \$141,000 in 2019-20 and \$188,000 in 2020-21 would be associated with salary and fringe benefits, \$21,400 in 2019-20 and \$28,500 in 2020-21 would be associated with supplies and services, and \$300,000 in 2019-20 would be used to purchase laboratory equipment. The funding is intended to cover the increased workload caused by a growth in participation in the program's second year. The Governor also recommends transferring 1.60 PR positions to the industrial hemp program's program revenue appropriation, as discussed in another summary item.

The federal Agricultural Act of 2014 legalized the cultivation of industrial hemp under certain circumstances, and it was further expanded under the Agricultural Improvement Act of 2018. Under the federal authorization, Wisconsin established its own industrial hemp research pilot program under 2017 Wisconsin Act 100 and administrative code Chapter ATCP 22. Under Wisconsin law, industrial hemp is defined as the plant Cannabis sativa that has a tetrahydrocannabinol (THC) concentration of less than 0.3% by weight. The Department is responsible for licensing and conducting a criminal background check on all growers and processors, and for sampling and testing cultivated hemp to ensure it complies with the THC limit. In 2018, the first year of the program, DATCP issued 247 grower licenses and 100 processor licenses, with 135 growers eventually planting a total of approximately 1,870 acres of hemp. For the 2019 growing year, as of July 17, DATCP reports it has issued 1,322 grower licenses and 628 processor licenses, and 1,247 growers have registered to plant approximately 17,000 acres of hemp.

**Joint Finance/Legislature:** Adopt the Governor's proposal but provide funding as program revenue, supported by existing licensing, annual registration, and sampling fees paid by hemp growers and processors.

**7. REPEAL MINIMUM MARKUP OF MOTOR VEHICLE FUEL**

**Governor:** Repeal the requirement that sellers of motor vehicle fuel mark up the price of fuel by a minimum of 9.18% at the final point of sale, equal to a markup of 3% by wholesalers and 6% by retailers. The "base price" subject to a markup is defined as the greater of: (a) the invoice or replacement cost of the fuel; or (b) the average posted price of the fuel terminal nearest the retail location. Applicable state and federal taxes and fees, as well as transportation and other costs not otherwise included in the listed cost, are also figured in the base price subject to markup. Under the bill as introduced, sellers of motor vehicle fuel would be required to sell fuel at a price not less

than the base price to which the markup is applied under current law.

Wisconsin's average wholesale gasoline price in December, 2018, was \$1.37 per gallon, as reported by the U.S. Energy Information Administration as of March 1, 2019, immediately following the bill's introduction. Adding 53.8¢ in state and federal gas taxes, fees, and estimated transportation costs, the markup under current law would be 18¢ per gallon above the initial invoice cost for sellers of gasoline. While this amount represents the presumed statutorily required price increase, fuel markups vary by seller. Changes in retail fuel prices, if any, following enactment of the provision would be subject to a variety of market and competitive factors, which are assumed to exert considerable influence on final retail prices independent of the statutory markup.

The administration estimates a statewide statutory fuel markup of at least 14¢ per gallon, which it assumes to be the minimum allowable price reduction under the provision. Although the minimum markup is specified in statute, margins on fuel sales accrue to the benefit of the seller. The statutory markup is not a source of tax revenue to the state.

The Unfair Sales Act, which first took effect in the 1930s, seeks to ensure fair competition by preventing predatory "loss leader" pricing by larger businesses, which could incur short-term losses to drive competing smaller firms out of business. Certain products, namely motor vehicle fuel, tobacco, and alcoholic beverages, must be sold at 9.18% above cost, while all others may not be sold below cost. Below-cost sales are allowed under certain circumstances, including: (a) bona fide clearance sales; (b) sales of perishable merchandise; (c) sales of damaged or discontinued merchandise; (d) liquidation sales; (e) sales for charitable purposes; (f) contract sales to government bodies; (g) prices set to meet a competitor's documented price; and (h) court-ordered sales.

**Joint Finance/Legislature:** Delete provision.

## 8. FARM-TO-SCHOOL GRANTS [LFB Paper 137]

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$400,000	-\$400,000	\$0

**Governor:** Provide \$200,000 annually for farm-to-school grants. Further, create an additional preferred criterion for grant awards by requiring DATCP to give preference to proposals from school districts in which a high percentage of pupils are eligible for a free or reduced-price lunch. Current law specifies that DATCP must give preference to proposals that are innovative or provide models other school districts may adopt.

Farm-to-school grants are intended to support the creation and expansion of farm-to-school programs, including: (a) promoting production, processing, marketing and distribution of food produced in Wisconsin for sale to schools in Wisconsin; (b) construction or improvement of facilities for use of food produced in Wisconsin at schools in Wisconsin; (c) training for food service personnel, farmers, and distributors; and (d) nutritional and agricultural education in the

classroom. Farm-to-school grants were created under 2009 Wisconsin Act 293, but have never been authorized funding.

**Joint Finance/Legislature:** Delete provision.

**9. DAIRY PROCESSOR GRANTS [LFB Paper 135]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$400,000	-\$400,000	\$0

**Governor:** Increase funding for dairy processor grants by \$200,000 annually to a total of \$400,000 each year. Specify that, in awarding dairy processor grants, the Department shall give preference to persons operating small processing plants. The bill does not define "small."

Dairy processor grants provide funding to projects at dairy processing plants that would, among other goals, grow the processing plant, contribute to processor innovation, or improve production and profitability. Eligible projects may include plant modernization and expansion, food safety improvements, staff training, and hiring of professional consultants.

**Joint Finance/Legislature:** Delete provision. Under Act 9, dairy processor grants are budgeted at base-level funding of \$200,000 annually.

**10. WISCONSIN INITIATIVE FOR DAIRY EXPORTS [LFB Paper 135]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$200,000	-\$200,000	\$0

**Governor:** Create a continuing appropriation in the Division of Agricultural Development with \$200,000 in 2019-20 to develop the Wisconsin Initiative for Dairy Exports (WIDE). WIDE would seek to bring together stakeholders across the dairy industry to pursue an increase in dairy exports from 15% to 20% of the United States milk supply in the next three to five years. DATCP reports the initiative would include assembling a stakeholder group of industry participants, increasing analysis of state and international agricultural markets, facilitating further trade missions abroad, and recruiting international buyers to visit Wisconsin. The administration reports it intended to authorize funding for use as part of the Department's International Agribusiness Center under s. 93.42 of the statutes. (As introduced, the bill omits language authorizing the appropriation.)

**Joint Finance/Legislature:** Delete provision.

**11. FARMER MENTAL HEALTH ASSISTANCE [LFB Paper 138]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$200,000	-\$200,000	\$0

**Governor:** Create an annual appropriation with \$100,000 each year of the biennium within the Department's Division of Agricultural Development to provide mental health assistance to farmers and farm families. Further, expand the Department's powers to include the provision of mental health assistance to farmers and farm families. Funding would be directed to the Farm Center, which provides information, referrals, and crisis response for farmers and their families. Farm Center services currently include technical assistance related to production, processing and marketing, as well as financial consultations, farm succession planning, minority and veterans outreach, and mediation and arbitration.

**Joint Finance/Legislature:** Adopt the provision, but provide funding under the Joint Committee on Finance's GPR supplemental appropriation. DATCP may submit a request under s. 13.10 of the statutes for release of the funding. [See "Program Supplements."]

[Act 9 Sections: 128 and 1098]

**12. BUY LOCAL, BUY WISCONSIN GRANTS [LFB Paper 139]**

GPR	\$200,000
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**Governor:** Increase funding for the Buy Local, Buy Wisconsin (BLBW) grant program by \$100,000 each year. Under the bill, total budgeted amounts would be \$300,000 each year. BLBW seeks to increase the sale of Wisconsin food products to local purchasers. Grants may be provided for projects that create, expand, diversify, or promote: (a) local food marketing systems and market outlets; (b) local food and cultural tourism routes; or (c) production, processing, marketing, and distribution of Wisconsin food products for sale to local purchasers. Projects have included food processing and distribution improvements, creating and expanding farmers' markets, agritourism projects, and marketing and awareness campaigns.

**Joint Finance/Legislature:** Modify the Governor's proposal to provide the increase on a one-time basis by providing all additional funding in the first year of the biennium. Under Act 9, grants are budgeted at \$400,000 in 2019-20 and \$200,000 in 2020-21.

**13. GRAZING GRANTS AND SPECIALIST POSITION [LFB Paper 135]**

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
GPR	\$122,700	1.00	-\$122,700	- 1.00	\$0	0.00

**Governor:** Specify that the Department's dairy promotion duties shall include providing

grants to local organizations that coordinate grazing, and expand the authorization of the dairy industry promotion appropriation to allow the provision of grazing grants. Additionally, provide \$52,600 in 2019-20 and \$70,100 in 2020-21 with 1.0 organic and grazing specialist position within the Division of Agricultural Development to provide education and technical assistance related to organic farming and grazing.

**Joint Finance/Legislature:** Delete provision.

**14. COUNTY AND DISTRICT FAIR AIDS**

GPR	\$50,000
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**Joint Finance/Legislature:** Provide an additional \$25,000 annually for aids to county and district fairs. The statutes provide the Department may reimburse fairs for award premiums on such categories as livestock, educational exhibits, agricultural implements and tools, and certain other categories. Awards are distributed for: (a) 95% of the first \$8,000 paid in net premiums; and (b) 70% of all net premiums paid in excess of \$8,000. Awards are capped at \$10,000 per fair, subject to further proration if total eligible reimbursements exceed the appropriated amount. The provision increases total funding to \$456,400 GPR annually.

**15. TRANSFER ABANDONED TANK REMOVAL PROGRAM FROM THE DEPARTMENT OF NATURAL RESOURCES [LFB Paper 534]**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$344,200	1.00	-\$344,200	- 1.00	\$0	0.00

**Governor:** Provide \$172,100 annually with 1.0 position from the petroleum inspection fund to transfer the abandoned tank removal program from the Department of Natural Resources (DNR). The transferred annual funding would include \$100,000 for removal of abandoned underground petroleum storage tank systems under certain circumstances, and \$72,100 for salary and fringe benefits. The program statutes would be renumbered from DNR to DATCP. Transferred funding would be budgeted in DATCP's petroleum products inspection appropriation. [See "Natural Resources -- Environmental Quality" for the deletion of funding in that agency.]

Provide that on the effective date of the bill, 1.0 DNR position, assets, liabilities, personal property, contracts, and pending matters primarily related to the underground petroleum storage tank removal program, as determined by the Secretary of the Department of Administration (DOA), would be transferred to DATCP. Provide that DATCP would carry out any obligations under contracts transferred from DNR related to the program, unless modified or rescinded by DATCP to the extent allowed by the contract. Any matters submitted to or actions taken by DNR related to the pending matters would be considered as having been submitted to or taken by DATCP. Specify that incumbent employees transfer to DATCP and would retain the employee rights and status held immediately before the transfer. Provide that employees transferred to DATCP who have attained permanent status would not be required to serve a probationary period.

**Joint Finance/Legislature:** Delete provision, which maintains the program at DNR.

**16. POSITION REALIGNMENT**

**Governor/Legislature:** Transfer the following positions and associated salary and fringe benefit costs shown in the table between appropriations in order to accommodate program staffing needs or to better align the funding sources of the positions with their current duties within the Department.

	<b>Funding</b>	<b>Positions</b>
FED	-\$298,400	- 2.15
PR	283,200	2.05
SEG	<u>15,200</u>	<u>0.10</u>
Total	\$0	0.00

**DATCP Position Realignment**

<u>Division/Appropriation</u>	<u>Fund</u>	<u>Annual Funding</u>	<u>Positions 2019-21</u>
<b><i>Food and Recreational Safety</i></b>			
Food regulation	PR	\$21,000	0.25
Federal funds; food safety inspection	FED	-21,000	-0.25
<b><i>Trade and Consumer Protection</i></b>			
Fruit and vegetable inspection	PR	-\$187,000	-3.70
Grain inspection and certification	PR	106,100	2.00
Retail petroleum	SEG	7,600	0.10
Unfair sales act enforcement	SEG	10,900	0.25
Dairy, grain, and vegetable security	SEG	-10,900	-0.25
<b><i>Agricultural Resource Management</i></b>			
Industrial hemp	PR	\$73,300	1.60
<b><i>Management Services</i></b>			
General laboratory services	PR	\$128,200	1.90
Indirect cost reimbursements	FED	-128,200	-1.90

The transfers result in no net change, but affect funds by source annually as follows: (a) -\$149,200 FED with -2.15 positions; (b) \$141,600 PR with 2.05 positions; and (c) \$7,600 SEG with 0.10 positions.

**17. DEBT SERVICE REESTIMATE**

**Governor/Legislature:** Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously issued general obligation bonds: (a) -\$500 GPR in 2019-20 and -\$2,000 GPR in 2020-21 for debt service on past upgrades to the Wisconsin Veterinary Diagnostic Laboratory (WVDL); (b) \$158,100 GPR in 2019-20 and \$501,900 GPR in 2020-21 for bonds issued for landowner cost-sharing and enrollment incentive payments under the Conservation Reserve Enhancement Program (CREP), a state-federal land and water conservation program; and (c) \$324,000 SEG in 2019-20 and \$403,600 SEG in 2020-21 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to landowners for structural

GPR	\$657,500
SEG	<u>727,600</u>
Total	\$1,385,100

best management practices installed under the soil and water resource management (SWRM) program.

Under Act 9, debt service is budgeted as follows: (a) for WVDL upgrades, \$3,600 GPR in 2019-20 and \$2,100 GPR in 2020-21; (b) for CREP, \$1,251,400 GPR in 2019-20 and \$1,595,200 GPR in 2020-21; and (c) for SWRM grants, \$5.0 million SEG in 2019-20 and \$5.1 million SEG in 2020-21.

**18. LABORATORY EQUIPMENT AND SERVICE CHARGES [LFB Paper 140]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
PR	\$550,000	-\$550,000	\$0

**Governor:** Provide \$250,000 in 2019-20 and \$300,000 in 2020-21 for increased supplies and services costs within the DATCP Bureau of Laboratory Services (BLS). BLS analyzes samples gathered during inspections and regulatory actions under the food safety, industrial hemp, and agrichemical management programs. The Bureau charges these programs for its services, with the charges reflected as expenditures to the food safety, industrial hemp, and agrichemical management programs and as revenues to the laboratory.

**Joint Finance/Legislature:** Delete provision. Under Act 9, budgeted expenditure authority for general laboratory services is \$3.6 million in 2019-20 and \$3.7 million in 2020-21.

**19. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES**

PR	\$450,000
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**Governor/Legislature:** Provide \$200,000 in 2019-20 and \$250,000 in 2020-21 for additional expenditures for information technology services throughout the Department. DATCP information technology services are funded from assessments charged to appropriations of other DATCP programs. Under Act 9, budgeted expenditures for computer system equipment, staff, and services are \$3.1 million each year in the 2019-21 biennium.

**20. WEIGHTS AND MEASURES INSPECTION INCREASE**

PR	\$400,000
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**Governor/Legislature:** Provide \$200,000 annually during the 2019-21 biennium for increased supplies and services costs within the DATCP Bureau of Weights and Measures (BWM). BWM is responsible for regulation and inspection of petroleum products, retail fuel pumps, and commercial package weights, among others, to ensure accurate packaging and quality for products sold in Wisconsin. Under Act 9, budgeted expenditures for weights and measures inspection are \$2.0 million each year in the 2019-21 biennium.

**21. PROGRAM REVENUE REESTIMATES**

PR - \$240,000

**Governor/Legislature:** Reestimate program revenue appropriations associated with fruit and vegetable inspection (-\$60,000 annually) and gifts and grants (-\$60,000 annually) to reflect anticipated revenues and expenditures in the 2019-21 biennium. These appropriations are continuing appropriations, meaning DATCP may expend all monies received for the purposes identified in the appropriation. The reestimates align budgeted annual expenditures with anticipated revenues, and do not limit future spending by the Department.

**22. FEDERAL REVENUE REESTIMATES**

FED - \$422,000

**Governor/Legislature:** Reestimate federal funds received by the Department in the 2019-21 biennium. Reductions are allocated among the following program areas:

**DATCP Federal Revenue Reestimates**

<u>Appropriation</u>	<u>Annual Reduction</u>
Animal health services	-\$41,000
Agricultural development	-50,000
U.S. Environmental Protection Agency aids	-50,000
Central administrative services	<u>-70,000</u>
Total	-\$211,000

**23. FOOD, LODGING AND RECREATION CONTINUING APPROPRIATION AUTHORITY [LFB Paper 141]**

PR \$300,000

**Governor:** Convert the annual PR appropriation for food, lodging, and recreational establishment regulation to a continuing appropriation, meaning all monies received, including available cash balances, may be expended generally at the Department's discretion. The appropriation supports the Division of Food and Recreational Safety's regulatory duties related to hotels and lodging, campgrounds, swimming pools, and food production, processing and distribution. The appropriation is funded by inspection, license, and other fees related to these duties, with revenues totaling \$9.22 million in 2017-18, but expenditures of \$9.4 million. The July 1, 2018, appropriation balance was \$8.8 million.

**Joint Finance/Legislature:** Maintain the appropriation as an annual appropriation and increase expenditure authority by \$150,000 annually. Food, lodging and recreational establishment regulation is budgeted at \$10.2 million PR annually in the 2019-21 biennium.