Comparative Summary of Budget Recommendations

Governor and Joint
Committee on Finance

2019-21 Wisconsin
State Budget

Legislative Fiscal Bureau
June, 2019

2019-21 WISCONSIN STATE BUDGET

Comparative Summary of Budget Recommendations

Governor and Joint Committee on Finance

Legislative Fiscal Bureau

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INTRODUCTION

This document provides a summary of the 2019-21 state budget recommendations of the Governor and Joint Committee on Finance.

The introductory portion of this document contains a Table of Contents, Key to Abbreviations, and User's Guide.

The "2019-21 Overview" section provides a series of tables that display 2019-21 revenues, appropriations, and position levels.

Following the summary information is a section which contains a description, for each state agency and program, of budget changes recommended by the Governor and Joint Committee on Finance. The agency summaries appear in alphabetical order and contain a funding and position table as well as a brief narrative description and corresponding fiscal effect, if any, of each budget provision.

The final section of the document contains a list of the 2019-21 budget papers prepared by the Legislative Fiscal Bureau.

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KEY TO ABBREVIATIONS

REVENUES

BR	Bond revenues which are available from the contracting of public debt (general obligation bonds), from debt which is to be repaid only from pledged or project revenues (revenue bonds), or from debt where repayment is backed by the state's moral obligation pledge and subject to annual appropriation by the Legislature (appropriation obligation bonds).
GPR-Earned	Departmental revenues which are collected by individual state agencies and deposited in the general fund.
GPR-Tax	Revenues which are collected from general fund taxes.
GPR-Tribal	Revenues which are collected from tribal gaming revenues and deposited in the general fund.
REV	Revenue

APPROPRIATIONS

GPR	Appropriations financed from general purpose revenues available in the state's general fund.
FED	Appropriations financed from federal revenues.
PR	Appropriations financed from program revenues, such as user fees or product sales.
PR-S	Program Revenue-Service. Appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
SEG	Appropriations financed from segregated revenues.
SEG-L	Appropriations financed from local revenues which are administered through a state segregated fund.

SEG-S	Segregated Revenue-Service. Segregated appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
Lapse	Budgeted amounts that are unspent at the end of a fiscal period which revert back to the fund from which they were appropriated.

OTHER

2017 Wisconsin Act 59	The 2017-19 biennial budget act.
AB 56/SB 59	Assembly Bill 56/Senate Bill 59, identical bills which incorporate the Governor's 2019-21 budget recommendations.
ASA 1 to AB 56	Assembly Substitute Amendment 1 to Assembly Bill 56, the 2019-21 budget recommendations of the Joint Committee on Finance.
SSA 1 to SB 59	Senate Substitute Amendment 1 to Senate Bill 59, the 2019-21 budget recommendations of the Joint Committee on Finance.
CY	Calendar year.
FY	Fiscal year.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to 1,040 hours per appointment in a 12-month period.
2018-19 Adjusted Base	The total 2018-19 authorized funding level for an agency or program. The adjusted base equals 2018-19 appropriations and any supplements. It is this base that serves as the beginning point for calculating budget changes for 2019-21.
2018-19 Base Year Doubled	The 2018-19 base multiplied by two. This produces the biennial base level against which 2019-21 budget levels may be compared.

USER'S GUIDE

The following explanation of entries is keyed to the accompanying sample entry (page 4).

1 Name of agency.

2 The funding source for the amounts shown in columns 3 through 6. Only the funding sources which are included in the agency's budget are shown.

3 The 2018-19 base represents authorized appropriation and position levels for 2018-19. The base is doubled in the budget column to provide a two-year to two-year comparison.

4 The Governor's recommended budget and position levels for 2019-21.

5 The Joint Finance Committee's recommended budget and position levels for 2019-21.

6 These columns indicate the change, by amount and percentage, of the Joint Finance Committee's 2019-21 recommended budget to the 2018-19 base year doubled and to the Governor's recommendations. For positions, the comparison is made between the recommended authorization for 2020-21 and that of 2018-19.

7 This uniform entry, "Standard Budget Adjustments," includes such things as full funding of continuing positions, turnover reductions, and removal of one-time funding items. The box highlights the funding and position change to the agency's base as a result of the item. For every item which has a fiscal and/or position change, a box with that information will be presented. "REV" in the box indicates that the item will generate revenue for the fund which is identified.

8 Narrative description of the various budget change items, for each entry as recommended by the Governor and Joint Committee on Finance. If the entry shows "Governor/Joint Finance" the recommendations proposed by the Governor were adopted by the Joint Committee on Finance. The fiscal effect (which is located in the box), highlights the funding and position change to the agency's base budget. For those items where the recommendations of the Governor and Finance Committee differ, the change to the Governor's fiscal effect is also shown. Immediately following the title, there will be, if applicable, "[LFB Paper]" showing the number of the Legislative Fiscal Bureau budget issue paper prepared on this item. In this example, [LFB Paper 480] pertains to Lieutenant Governor operations support.

ETHICS COMMISSION (1)

Budget Summary

(2) Fund	(3) 2018-19 Base Year Doubled	(4) 2019-21 Governor	(5) 2019-21 Jt. Finance	(6) Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$788,800	$975,900	$847,800	- $128,100	- 13.1%	$59,000	7.5%

FTE Position Summary

(2) Fund	(3) 2018-19 Base	(4) 2020-21 Governor	(5) 2020-21 Jt. Finance	(6) Joint Finance Change to: Governor	2018-19 Base
GPR	5.00	6.00	5.00	- 1.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$59,000

(7) **Governor/Joint Finance:** Provide adjustments totaling $29,500 annually for full funding of continuing position salaries and fringe benefits.

2. OPERATIONS SUPPORT [LFB Paper 480]

(8)

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$128,100	1.00	- $128,100	- 1.00	$0	0.00

Governor: Provide $54,900 in 2019-20 and $73,200 in 2020-21 and 1.0 position annually to provide operational support to the Lieutenant Governor. The position is intended to provide additional support related to scheduling and operations.

Joint Finance: Delete provision.

2019-21 OVERVIEW

TABLE 1

Summary of 2019-21 Appropriations, Compensation Reserves, and Authorizations

Fund Source	2019-20	2020-21	Total	% of Total
General Purpose Revenue	**$18,389,240,200**	**$19,308,675,300**	**$37,697,915,500**	**45.1%**
Appropriations	18,375,888,400	19,214,129,900	37,590,018,300	
Compensation Reserves	13,351,800	94,545,400	107,897,200	
Federal Revenue	**11,452,230,900**	**11,821,658,900**	**23,273,889,800**	**27.8**
Appropriations	11,448,153,800	11,789,742,300	23,237,896,100	
Compensation Reserves	4,077,100	31,916,600	35,993,700	
Program Revenue	**6,318,492,100**	**6,434,616,000**	**12,753,108,100**	**15.3**
Appropriations	6,310,642,000	6,367,571,900	12,678,213,900	
Compensation Reserves	7,850,100	67,044,100	74,894,200	
Segregated Revenue	**3,967,250,000**	**3,973,963,400**	**7,941,213,400**	**9.5**
Appropriations	3,964,034,400	3,955,971,400	7,920,005,800	
Compensation Reserves	3,215,600	17,992,000	21,207,600	
Subtotal	**$40,127,213,200**	**$41,538,913,600**	**$81,666,126,800**	**97.7%**
Appropriations	40,098,718,600	41,327,415,500	81,426,134,100	
Compensation Reserves	28,494,600	211,498,100	239,992,700	
Bond Revenue			**$1,914,612,795**	**2.3**
General Obligation Bonding			1,772,358,195	
Revenue Bonding			142,254,600	
TOTAL			**$83,580,739,595**	**100.0%**

TABLE 2

Summary of Total All Funds Appropriations by Agency

	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Administration	$1,188,181,000	$1,211,758,600	$1,201,638,300	- $10,120,300	- 0.8%	$13,457,300	1.1%
Agriculture, Trade and Consumer Protection	197,335,400	215,228,900	210,375,600	- 4,853,300	- 2.3	13,040,200	6.6
Appropriation Obligation Bonds	826,446,200	791,823,600	791,823,600	0	0.0	- 34,622,600	- 4.2
Board for People with Developmental Disabilities	3,127,600	3,194,400	3,194,400	0	0.0	66,800	2.1
Board of Commissioners of Public Lands	3,425,800	3,552,500	3,552,500	0	0.0	126,700	3.7
Board on Aging and Long-Term Care	6,882,400	7,338,800	7,193,600	- 145,200	- 2.0	311,200	4.5
Building Commission	93,160,600	70,810,600	70,586,400	- 224,200	- 0.3	- 22,574,200	- 24.2
Child Abuse and Neglect Prevention Board	6,355,600	6,444,000	6,444,000	0	0.0	88,400	1.4
Children and Families	2,617,532,800	2,830,650,900	2,758,020,900	- 72,630,000	- 2.6	140,488,100	5.4
Circuit Courts	212,951,200	205,442,400	209,042,400	3,600,000	1.8	- 3,908,800	- 1.8
Compensation Reserves	---	266,241,300	239,992,700	- 26,248,600	- 9.9	239,992,700	N.A.
Corrections	2,552,461,400	2,713,475,800	2,680,324,400	- 33,151,400	- 1.2	127,863,000	5.0
Court of Appeals	23,558,600	22,682,400	22,682,400	0	0.0	- 876,200	- 3.7
District Attorneys	96,028,000	101,103,100	100,968,800	- 134,300	- 0.1	4,940,800	5.1
Educational Communications Board	39,078,400	42,497,800	42,497,800	0	0.0	3,419,400	8.8
Elections Commission	10,687,000	11,294,700	11,257,300	- 37,400	- 0.3	570,300	5.3
Employee Trust Funds	95,939,400	96,828,800	96,828,800	0	0.0	889,400	0.9
Employment Relations Commission	2,330,800	2,080,000	2,080,000	0	0.0	- 250,800	- 10.8
Environmental Improvement Fund	46,964,800	40,190,400	40,190,400	0	0.0	- 6,774,400	- 14.4
Ethics Commission	2,689,200	2,850,400	2,850,400	0	0.0	161,200	6.0
Financial Institutions	38,654,400	39,762,500	39,712,500	- 50,000	- 0.1	1,058,100	2.7
Fox River Navigational System Authority	250,800	250,800	250,800	0	0.0	0	0.0
Governor	7,628,400	8,054,400	8,054,400	0	0.0	426,000	5.6
Health Services	24,565,212,600	27,203,261,000	26,215,086,400	- 988,174,600	- 3.6	1,649,873,800	6.7
Higher Educational Aids Board	290,571,200	302,491,800	285,538,000	-16,953,800	- 5.6	- 5,033,200	- 1.7
Historical Society	59,116,000	62,655,100	62,283,800	- 371,300	- 0.6	3,167,800	5.4
Insurance	224,073,800	363,341,900	361,907,100	- 1,434,800	- 0.4	137,833,300	61.5
Investment Board	124,889,400	124,889,400	124,889,400	0	0.0	0	0.0
Judicial Commission	620,000	632,200	632,200	0	0.0	12,200	2.0
Justice	276,584,000	294,863,300	288,872,600	- 5,990,700	- 2.0	12,288,600	4.4

	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Kickapoo Reserve Management Board	$1,954,400	$2,032,900	$1,926,800	- $106,100	- 5.2%	- $27,600	- 1.4%
Labor and Industry Review Commission	6,347,200	5,353,100	5,353,100	0	0.0	- 994,100	- 15.7
Legislature	159,371,600	158,734,500	158,724,500	- 10,000	0.0	- 647,100	- 0.4
Lieutenant Governor	788,800	975,900	847,800	- 128,100	- 13.1	59,000	7.5
Lower Wisconsin State Riverway Board	459,400	494,600	494,600	0	0.0	35,200	7.7
Medical College of Wisconsin	20,468,200	24,368,200	22,881,200	- 1,487,000	- 6.1	2,413,000	11.8
Military Affairs	237,037,600	230,889,400	249,667,500	18,778,100	8.1	12,629,900	5.3
Miscellaneous Appropriations	345,206,800	373,072,200	380,695,100	7,622,900	2.0	35,488,300	10.3
Natural Resources	1,101,837,400	1,125,120,400	1,123,579,400	- 1,541,000	- 0.1	21,742,000	2.0
Program Supplements	21,682,000	21,682,000	125,490,300	103,808,300	478.8	103,808,300	478.8
Public Defender	177,263,000	208,688,800	208,614,700	- 74,100	0.0	31,351,700	17.7
Public Instruction	14,551,516,000	16,156,645,400	15,216,845,000	- 939,800,400	- 5.8	665,329,000	4.6
Public Service Commission	58,530,600	131,406,800	103,260,000	- 28,146,800	- 21.4	44,729,400	76.4
Revenue	432,381,200	448,244,800	445,939,000	- 2,305,800	- 0.5	13,557,800	3.1
Safety and Professional Services	110,512,400	117,416,700	118,552,400	1,135,700	1.0	8,040,000	7.3
Secretary of State	543,800	670,700	553,000	- 117,700	- 17.5	9,200	1.7
Shared Revenue and Tax Relief	5,641,391,200	5,978,973,300	5,961,138,800	- 17,834,500	- 0.3	319,747,600	5.7
State Fair Park Board	46,801,600	49,110,400	49,096,000	- 14,400	0.0	2,294,400	4.9
State Treasurer	233,400	895,500	233,400	- 662,100	- 73.9	0	0.0
Supreme Court	65,366,400	64,889,200	64,889,200	0	0.0	- 477,200	- 0.7
Tourism	34,221,800	41,784,300	34,729,200	- 7,055,100	- 16.9	507,400	1.5
Transportation	6,089,412,600	6,627,119,400	6,642,841,500	15,722,100	0.2	553,428,900	9.1
University of Wisconsin System	12,423,140,000	12,757,873,400	12,643,353,400	- 114,520,000	- 0.9	220,213,400	1.8
Veterans Affairs	279,191,000	278,178,900	278,178,900	0	0.0	- 1,012,100	- 0.4
Wisconsin Economic Development Corporation	83,101,400	83,101,400	83,101,400	0	0.0	0	0.0
Wisconsin Technical College System	1,114,195,800	1,132,790,000	1,139,790,000	7,000,000	0.6	25,594,200	2.3
Workforce Development	711,073,400	690,539,100	716,578,700	26,039,600	3.8	5,505,300	0.8
TOTAL	$77,326,765,800	$83,756,743,100	$81,666,126,800	-$2,090,616,300	-2.5%	$4,339,361,000	5.6%

TABLE 3

Summary of All Funds Full-Time Equivalent Positions by Agency

Agency	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2018-19 Base
Administration	1,474.42	1,447.92	1,436.08	- 11.84	- 38.34
Agriculture, Trade and Consumer Protection	641.29	636.79	633.29	- 3.50	- 8.00
Board for People with Developmental Disab.	7.00	7.00	7.00	0.00	0.00
Board of Commissioners of Public Lands	9.50	9.50	9.50	0.00	0.00
Board on Aging and Long-Term Care	42.50	45.50	44.50	- 1.00	2.00
Child Abuse and Neglect Prevention Board	6.00	7.00	7.00	0.00	1.00
Children and Families	786.16	788.16	788.16	0.00	2.00
Circuit Courts	527.00	527.00	527.00	0.00	0.00
Corrections	10,127.97	10,286.92	10,213.92	- 73.00	85.95
Court of Appeals	75.50	75.50	75.50	0.00	0.00
District Attorneys	431.45	454.55	454.55	0.00	23.10
Educational Communications Board	55.18	55.18	55.18	0.00	0.00
Elections Commission	31.75	31.75	31.75	0.00	0.00
Employee Trust Funds	272.20	274.20	274.20	0.00	2.00
Employment Relations Commission	6.00	6.00	6.00	0.00	0.00
Ethics Commission	8.00	8.00	8.00	0.00	0.00
Financial Institutions	141.54	141.54	141.54	0.00	0.00
Governor	37.25	37.25	37.25	0.00	0.00
Health Services	6,184.89	6,376.93	6,351.19	- 25.74	166.30
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.00
Historical Society	135.04	136.04	181.54	45.50	46.50
Insurance	141.00	141.93	134.83	- 7.10	- 6.17
Investment Board	203.00	203.00	203.00	0.00	0.00
Judicial Commission	2.00	2.00	2.00	0.00	0.00
Justice	722.14	716.34	706.54	- 9.80	- 15.60
Kickapoo Reserve Management Board	4.00	5.00	4.00	- 1.00	0.00
Labor and Industry Review Commission	18.70	18.70	18.70	0.00	0.00
Legislature	777.97	777.97	777.97	0.00	0.00
Lieutenant Governor	5.00	6.00	5.00	- 1.00	0.00
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	0.00	0.00
Military Affairs	523.30	514.10	521.10	7.00	- 2.20
Natural Resources	2,515.60	2,529.60	2,521.60	- 8.00	6.00
Public Defender	614.85	614.85	614.85	0.00	0.00
Public Instruction	649.00	646.00	641.00	- 5.00	- 8.00
Public Service Commission	153.25	149.25	153.25	4.00	0.00

Agency	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2018-19 Base
Revenue	1,182.03	1,218.03	1,182.03	- 36.00	0.00
Safety and Professional Services	236.14	256.14	237.14	- 19.00	1.00
Secretary of State	2.00	3.00	2.00	- 1.00	0.00
State Fair Park Board	47.00	50.00	47.00	- 3.00	0.00
State Treasurer	1.00	4.00	1.00	- 3.00	0.00
Supreme Court	221.75	221.75	221.75	0.00	0.00
Tourism	34.00	37.00	34.00	- 3.00	0.00
Transportation	3,244.11	3,251.11	3,244.11	- 7.00	0.00
University of Wisconsin System	36,052.32	36,293.16	36,273.16	- 20.00	220.84
Veterans Affairs	1,261.70	1,269.36	1,269.36	0.00	7.66
Wisconsin Technical College System	56.00	55.00	55.00	0.00	- 1.00
Workforce Development	1,609.05	1,642.55	1,606.05	- 36.50	- 3.00
TOTAL	71,289.55	71,990.57	71,771.59	- 218.98	482.04

Full-Time Equivalent Positions Summary by Funding Source

	2018-19 Base	2020-21 Governor	2020-21 Jt Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2018-19 Base
GPR	35,279.15	35,669.96	35,521.57	- 148.39	242.42
FED	10,670.25	10,613.04	10,613.82	0.78	- 56.43
PR	20,477.27	20,789.94	20,740.57	- 49.37	263.30
SEG	4,862.88	4,917.63	4,895.63	- 22.00	32.75
TOTAL	71,289.55	71,990.57	71,771.59	- 218.98	482.04

TABLE 4

Summary of General Fund Appropriations and Reserves by Agency

	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Administration	$34,492,800	$41,978,000	$34,978,000	- $7,000,000	- 16.7%	$485,200	1.4%
Agriculture, Trade and Consumer Protection	54,913,000	60,936,300	57,997,700	- 2,938,600	- 4.8	3,084,700	5.6
Appropriation Obligation Bonds	826,446,200	791,823,600	791,823,600	0	0.0	- 34,622,600	- 4.2
Board for People with Developmental Disabilities	236,800	239,200	239,200	0	0.0	2,400	1.0
Board of Commissioners of Public Lands	0	0	3,447,100	3,447,100	N.A.	3,447,100	N.A.
Board on Aging and Long-Term Care	2,943,200	3,120,000	3,153,100	33,100	1.1	209,900	7.1
Building Commission	87,720,000	65,488,800	65,264,600	- 224,200	- 0.3	- 22,455,400	- 25.6
Child Abuse and Neglect Prevention Board	1,990,000	1,990,000	1,990,000	0	0.0	0	0.0
Children and Families	929,287,800	956,554,000	954,415,800	- 2,138,200	- 0.2	25,128,000	2.7
Circuit Courts	212,485,800	204,977,000	208,577,000	3,600,000	1.8	- 3,908,800	- 1.8
Compensation Reserves	---	119,245,200	107,897,200	- 11,348,000	- 9.5	107,897,200	N.A.
Corrections	2,320,800,400	2,472,275,000	2,440,005,700	- 32,269,300	- 1.3	119,205,300	5.1
Court of Appeals	23,558,600	22,682,400	22,682,400	0	0.0	- 876,200	- 3.7
District Attorneys	89,571,200	93,999,300	93,165,000	- 834,300	- 0.9	3,593,800	4.0
Educational Communications Board	12,702,800	13,241,900	12,781,300	- 460,600	- 3.5	78,500	0.6
Elections Commission	8,583,400	9,024,200	9,358,100	333,900	3.7	774,700	9.0
Employee Trust Funds	136,000	79,500	79,500	0	0.0	- 56,500	- 41.5
Employment Relations Commission	2,039,600	1,788,800	1,788,800	0	0.0	- 250,800	- 12.3
Environmental Improvement Fund	30,964,800	24,190,400	24,190,400	0	0.0	- 6,774,400	- 21.9
Ethics Commission	1,686,800	1,821,900	1,821,900	0	0.0	135,100	8.0
Governor	7,628,400	8,054,400	8,054,400	0	0.0	426,000	5.6
Health Services	8,022,862,200	8,352,052,800	8,595,948,100	243,895,300	2.9	573,085,900	7.1
Higher Educational Aids Board	286,936,400	298,783,500	281,903,200	- 16,880,300	- 5.6	- 5,033,200	- 1.8
Historical Society	40,228,200	43,133,800	42,944,400	- 189,400	- 0.4	2,716,200	6.8
Insurance	0	72,273,700	72,273,700	0	0.0	72,273,700	N.A.

	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Judicial Commission	$620,000	$632,200	$632,200	$0	0.0%	$12,200	2.0%
Justice	119,170,400	132,753,600	129,291,900	- 3,461,700	- 2.6	10,121,500	8.5
Labor and Industry Review Commission	496,600	334,500	334,500	0	0.0	- 162,100	- 32.6
Legislature	154,845,200	153,921,000	153,911,000	- 10,000	0.0	- 934,200	- 0.6
Lieutenant Governor	788,800	975,900	847,800	- 128,100	- 13.1	59,000	7.5
Medical College of Wisconsin	19,973,200	23,873,200	22,386,200	- 1,487,000	- 6.2	2,413,000	12.1
Military Affairs	55,899,800	59,065,300	61,433,400	2,368,100	4.0	5,533,600	9.9
Miscellaneous Appropriations	241,783,200	273,627,200	293,471,000	19,843,800	7.3	51,687,800	21.4
Natural Resources	218,970,800	218,387,500	215,722,100	- 2,665,400	- 1.2	- 3,248,700	- 1.5
Program Supplements	21,682,000	21,682,000	122,607,700	100,925,700	465.5	100,925,700	465.5
Public Defender	174,482,600	205,811,200	205,737,100	- 74,100	0.0	31,254,500	17.9
Public Instruction	12,582,092,400	14,175,452,300	13,237,514,100	- 937,938,200	- 6.6	655,421,700	5.2
Public Service Commission	0	50,400,000	0	- 50,400,000	- 100.0	0	N.A.
Revenue	307,034,200	314,025,900	365,576,500	51,550,600	16.4	58,542,300	19.1
Shared Revenue and Tax Relief	4,998,580,600	5,278,404,600	5,223,334,100	- 55,070,500	- 1.0	224,753,500	4.5
State Fair Park Board	4,956,000	5,367,300	5,367,300	0	0.0	411,300	8.3
State Treasurer	0	511,300	0	- 511,300	- 100.0	0	N.A.
Supreme Court	35,647,000	35,047,900	35,047,900	0	0.0	- 599,100	- 1.7
Tourism	10,283,400	17,291,900	11,171,400	- 6,120,500	- 35.4	888,000	8.6
Transportation	223,949,600	240,373,000	330,373,000	90,000,000	37.4	106,423,400	47.5
University of Wisconsin System	2,231,160,000	2,357,768,500	2,243,868,500	- 113,900,000	- 4.8	12,708,500	0.6
Veterans Affairs	3,868,600	5,227,300	5,227,300	0	0.0	1,358,700	35.1
Wisconsin Economic Development Corporation	30,701,400	25,320,900	26,390,900	1,070,000	4.2	- 4,310,500	- 14.0
Wisconsin Technical College System	1,039,215,800	1,057,524,600	1,064,524,600	7,000,000	0.7	25,308,800	2.4
Workforce Development	92,758,400	80,325,200	106,364,800	26,039,600	32.4	13,606,400	14.7
TOTAL	$35,567,174,400	$38,393,858,000	$37,697,915,500	- $695,942,500	- 1.8%	$2,130,741,100	6.0%

TABLE 5

Summary of General Fund Full-Time Equivalent Positions by Agency

Agency	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2018-19 Base
Administration	63.72	64.72	63.72	- 1.00	0.00
Agriculture, Trade and Consumer Protection	199.40	203.40	199.40	- 4.00	0.00
Board of Commissioners of Public Lands	0.00	0.00	9.50	9.50	9.50
Board on Aging and Long-Term Care	19.18	20.23	20.48	0.25	1.30
Children and Families	231.92	232.92	232.92	0.00	1.00
Circuit Courts	527.00	527.00	527.00	0.00	0.00
Corrections	9,588.67	9,741.62	9,668.62	- 73.00	79.95
Court of Appeals	75.50	75.50	75.50	0.00	0.00
District Attorneys	384.45	418.05	414.05	- 4.00	29.60
Educational Communications Board	26.94	26.94	26.94	0.00	0.00
Elections Commission	25.75	25.75	25.75	0.00	0.00
Employment Relations Commission	6.00	6.00	6.00	0.00	0.00
Ethics Commission	4.55	4.55	4.55	0.00	0.00
Governor	37.25	37.25	37.25	0.00	0.00
Health Services	2,561.71	2,664.97	2,657.23	- 7.74	95.52
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.00
Historical Society	97.15	98.15	112.65	14.50	15.50
Judicial Commission	2.00	2.00	2.00	0.00	0.00
Justice	401.18	413.38	406.98	- 6.40	5.80
Labor and Industry Review Commission	0.80	0.80	0.80	0.00	0.00
Legislature	758.17	758.17	758.17	0.00	0.00
Lieutenant Governor	5.00	6.00	5.00	- 1.00	0.00
Military Affairs	81.83	82.08	82.08	0.00	0.25
Natural Resources	223.52	232.52	223.52	- 9.00	0.00
Public Defender	609.85	609.85	609.85	0.00	0.00
Public Instruction	252.47	257.47	252.47	- 5.00	0.00
Revenue	953.08	989.08	953.08	- 36.00	0.00
State Treasurer	0.00	2.50	0.00	- 2.50	0.00
Supreme Court	115.50	115.50	115.50	0.00	0.00
Tourism	29.00	35.00	32.00	- 3.00	3.00
University of Wisconsin System	17,813.49	17,834.49	17,814.49	- 20.00	1.00
Wisconsin Technical College System	23.25	23.25	23.25	0.00	0.00
Workforce Development	150.82	150.82	150.82	0.00	0.00
TOTAL	35,279.15	35,669.96	35,521.57	- 148.39	242.42

TABLE 6

2019-21 General Fund Condition Statement

	2019-20	2020-21
Revenues		
Opening Balance, July 1	$947,672,600	$829,504,600
Taxes	17,321,188,500	17,629,638,000
Departmental Revenues		
Tribal Gaming Revenues	23,837,700	24,879,000
Other	550,542,100	535,886,200
Total Available	$18,843,240,900	$19,019,907,800
Appropriations and Reserves		
Gross Appropriations	$18,375,888,400	$19,214,129,900
Transfers to Transportation Fund	43,303,000	44,074,100
Compensation Reserves	13,351,800	94,545,400
Less Lapses	-418,806,900	-455,420,600
Net Appropriations	$18,013,736,300	$18,897,328,800
Balances		
Gross Balance	$829,504,600	$122,579,000
Less Required Statutory Balance	-80,000,000	-85,000,000
Net Balance, June 30	$749,504,600	$37,579,000

TABLE 7

Estimated 2019-21 General Fund Taxes

Tax Source	2019-20	2020-21	2019-21	% of Total
Individual Income*	$8,923,150,000	$9,115,780,000	$18,038,930,000	51.6%
Sales and Use*	5,895,300,000	5,962,100,000	11,857,400,000	33.9
Corporate Income/Franchise	1,165,000,000	1,204,940,000	2,369,940,000	6.8
Public Utility	366,000,000	364,000,000	730,000,000	2.1
Excise				
Cigarette	515,000,000	507,000,000	1,022,000,000	2.9
Tobacco Products	92,300,000	97,200,000	189,500,000	0.5
Liquor and Wine	55,000,000	56,000,000	111,000,000	0.3
Beer	8,900,000	8,900,000	17,800,000	0.1
Insurance Company	203,000,000	211,000,000	414,000,000	1.2
Miscellaneous	97,538,500	102,718,000	200,256,500	0.6
TOTAL*	$17,321,188,500	$17,629,638,000	$34,950,826,500	100.0%

*Includes the following estimated fiscal effects of Assembly Bill 251 as recommended by the Joint Committee on Finance: (a) reduced individual income tax revenue of $136.1 million in 2020-21; and (b) increased sales and use tax revenue of $50.3 million in 2019-20 and $67.1 million in 2020-21.

TABLE 8

2019-21 Departmental Revenues

Agency	2019-20	2020-21	Total
Administration	$7,140,800	$11,306,700	$18,447,500
Appropriation Obligation Bonds	138,127,400	175,079,500	313,206,900
Agriculture, Trade and Consumer Protection	61,700	61,700	123,400
Children and Families	14,000	14,000	28,000
Circuit Courts	37,409,800	37,371,300	74,781,100
Corrections	3,000,000	3,000,000	6,000,000
Court of Appeals	130,400	121,900	252,300
Educational Communications Board	600	600	1,200
Elections Commission	9,700	0	9,700
Employment Relations Commission	34,400	34,400	68,800
Financial Institutions	84,050,000	86,100,000	170,150,000
Governor	30,000	30,000	60,000
Health Services	47,108,100	47,118,100	94,226,200
Higher Educational Aids Board	166,900	166,900	333,800
Insurance Commissioner	21,905,000	21,905,000	43,810,000
Interest Earnings	12,000,000	5,000,000	17,000,000
Military Affairs	24,900	24,900	49,800
Miscellaneous Appropriations	7,566,300	7,548,400	15,114,700
Natural Resources	5,515,000	5,347,100	10,862,100
Public Defender	6,300	6,300	12,600
Public Instruction	391,800	391,800	783,600
Public Service Commission	1,620,900	1,629,800	3,250,700
Revenue	32,379,800	32,571,800	64,951,600
Safety and Professional Services	7,020,000	1,600,000	8,620,000
Secretary of State	137,800	137,900	275,700
Shared Revenue and Tax Relief	9,376,700	9,376,700	18,753,400
Supreme Court	37,300	36,100	73,400
Tobacco Settlement Revenues	87,376,600	72,020,400	159,397,000
Tourism	200	200	400
Transportation	2,830,000	2,815,000	5,645,000
University of Wisconsin System	15,000,000	15,000,000	30,000,000
Wisconsin Economic Development Corporation	30,000,000	0	30,000,000
Workforce Development	69,700	69,700	139,400
Subtotal	$550,542,100	$535,886,200	$1,086,428,300
Tribal Gaming	23,837,700	24,879,000	48,716,700
Total	$574,379,800	$560,765,200	$1,135,145,000

TABLE 9

Summary of 2019-21 Appropriations
By Functional Area

All Funds

Functional Area	Amount	% of Total
Human Resources	$33,311,963,300	40.8%
Education	29,413,189,200	36.0
Environmental Resources	7,844,012,700	9.6
Shared Revenue and Tax Relief	5,961,138,800	7.3
General Executive	2,897,082,600	3.5
Commerce	966,005,000	1.2
General Appropriations	576,771,800	0.7
Judicial	297,246,200	0.4
Compensation Reserves	239,992,700	0.3
Legislative	158,724,500	0.2
TOTAL	$81,666,126,800	100.0%

General Purpose Revenue

Functional Area	Amount	% of Total
Education	$16,905,922,300	44.8%
Human Resources	12,393,357,600	32.9
Shared Revenue and Tax Relief	5,223,334,100	13.9
General Executive	1,421,724,000	3.8
Environmental Resources	581,456,900	1.5
General Appropriations	481,343,300	1.3
Judicial	266,939,500	0.7
Commerce	162,029,600	0.4
Legislative	153,911,000	0.4
Compensation Reserves	107,897,200	0.3
TOTAL	$37,697,915,500	100.0%

TABLE 10

Summary of 2019-21 Appropriations
By Purpose

All Funds

Purpose	Amount	% of Total
State Operations	$29,612,869,000	36.3%
Aids to Individuals and Organizations	27,943,485,100	34.2
Local Assistance	24,109,772,700	29.5
TOTAL	$81,666,126,800	100.0%

General Purpose Revenue

Purpose	Amount	% of Total
Local Assistance	$18,522,551,900	49.1%
Aids to Individuals and Organizations	10,029,517,400	26.6
State Operations	9,145,846,200	24.3
TOTAL	$37,697,915,500	100.0%

STATE AGENCY 2019-21 BUDGET SUMMARIES

ADMINISTRATION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$34,492,800	$41,978,000	$34,978,000	- $7,000,000	- 16.7%	$485,200	1.4%
FED	280,459,600	284,128,500	280,427,200	- 3,701,300	- 1.3	- 32,400	0.0
PR	760,255,000	776,679,500	774,251,300	- 2,428,200	- 0.3	13,996,300	1.8
SEG	112,973,600	108,972,600	111,981,800	3,009,200	2.8	- 991,800	- 0.9
TOTAL	$1,188,181,000	$1,211,758,600	$1,201,638,300	- $10,120,300	- 0.8%	$13,457,300	1.1%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	63.72	64.72	63.72	- 1.00	0.00
FED	62.15	61.80	57.80	- 4.00	- 4.35
PR	1,334.80	1,307.65	1,301.81	- 5.84	- 32.99
SEG	13.75	13.75	12.75	- 1.00	- 1.00
TOTAL	1,474.42	1,447.92	1,436.08	- 11.84	- 38.34

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 100]

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Funding	Jt. Finance (Chg. to Gov) Positions	Net Change Funding	Net Change Positions
GPR	$103,200	0.00	$0	0.00	$103,200	0.00
FED	690,800	- 1.00	0	0.00	690,800	- 1.00
PR	- 960,800	0.00	0	0.00	- 960,800	0.00
SEG	49,000	0.00	- 1,040,800	- 1.00	- 991,800	- 1.00
Total	- $117,800	- 1.00	- $1,040,800	- 1.00	- $1,158,600	- 2.00

Governor: Provide standard budget adjustments to the base totaling $41,100 GPR, $342,100 FED, -$632,100 PR, and $23,200 SEG, and -1.0 FED position in 2019-20 and $62,100 GPR, $348,700 FED, -$328,700 PR, and $25,800 SEG, and -1.0 FED position in 2020-21. Adjustments are for: (a) turnover reduction (-$2,164,800 PR annually); (b) removal of noncontinuing elements of the base (-$86,000 FED and -1.0 FED position annually); (c) full funding of continuing position salaries and fringe benefits (-$130,700 GPR, $346,300 FED, -$118,000 PR, and -$10,500 SEG annually); (d) reclassifications and semiautomatic pay progression ($6,600 FED and $106,200 PR in 2019-20 and $6,800 FED and $144,500 PR in 2020-21); (e) overtime ($535,500 PR annually); (f) night and weekend differential pay ($27,900 PR annually) and (g) full funding of lease and directed moves costs ($171,800 GPR, $75,200 FED, $981,100 PR, and $33,700 SEG in 2019-20 and $192,800 GPR, $81,600 FED, $1,246,200 PR, and $36,300 SEG in 2020-21).

Joint Finance: Eliminate $1,040,800 SEG and 1.0 SEG position in 2020-21 to reflect the removal of non-continuing elements from the base associated with the diesel truck idling program. Under current law, the program is scheduled to sunset on June 30, 2020, for grant funds and December 31, 2021, for program administration.

2. DEBT SERVICE

GPR	$382,000
PR	15,295,500
Total	$15,677,500

Governor/Joint Finance: Provide $166,500 GPR and $8,138,100 PR in 2019-20 and $215,500 GPR and $7,157,400 PR in 2020-21 to reflect current law estimates of debt service costs on state general obligation bonds and commercial paper debt issued for the following programs: (a) educational technology infrastructure in schools ($120,000 GPR in 2019-20 and $168,300 GPR in 2020-21); (b) educational technology infrastructure for public library boards ($200 GPR in 2019-20 and $400 GPR in 2020-21); (c) Black Point Estate in Lake Geneva ($46,300 GPR in 2019-20 and $46,800 GPR in 2020-21); (d) parking facilities in Madison ($95,300 PR in 2019-20 and -$91,600 PR in 2020-21); and (f) buildings used to house state agencies ($8,042,800 PR in 2019-20 and $7,249,000 PR in 2020-21).

3. CENSUS APPROPRIATION CREATION [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Create a biennial GPR appropriation under DOA's supervision and management program for census activities. Provide $1,000,000 in 2019-20 for activities and preparation related to the 2020 U.S. census. Funding is intended to assist with census outreach efforts, such as partnering with social service agencies and non-profit organizations.

Joint Finance: Delete provision.

4. MODIFY EDUCATIONAL TELECOMMUNICATIONS ACCESS PROGRAM [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $12,050,000	$12,050,000	$0

Governor: Reduce supplies and services funding for the Technology for Educational Achievement (TEACH) program by $6,025,000 annually. State funds for this program are provided through the segregated universal service fund (USF), which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. If funds from the USF are insufficient for this purpose, federal e-rate reimbursement monies may be utilized, to the extent revenue is available.

Modify program eligibility and grant awards as follows:

Educational Telecommunications Access Program. Specify that DOA may not charge educational agencies more than $100 per month for each data line that operates at a speed of 1 gigabyte per second, rather than 1.544 megabits per second. Eliminate references to video links under the TEACH program. Under current law, the program provides eligible entities access to the Internet and two-way interactive video services through rate discounts and subsidized installation of data lines and video links.

IT Infrastructure Grants. Extend the July 1, 2019, sunset date for the information technology (IT) infrastructure grant program to June 30, 2021. Limit the maximum amount that DOA may award in each year under the IT infrastructure grant program to $3,000,000. Under current law, DOA may award up to $7,500,000 annually to rural school districts and public libraries to improve IT infrastructure. Specify that a school district's eligibility is based on membership in the most recent school year for which finalized data is available, instead of membership in the previous year. Further, specify that grant awards for public libraries, library branches, and school districts are based on the applicant's population in the first year of a fiscal biennium. Limit eligibility for public libraries and library branches to those that are located in rural territories, defined under the bill as "any territory, population, and housing units located outside urbanized areas or urban clusters." Under current law, a location is considered a rural territory if it is defined by the U.S. Census Bureau as such. Current eligibility is further limited by the location's distance from an urbanized area or urban cluster. Specify that a consortium of public libraries or a public library system is eligible if it contains three or more eligible public libraries or library branches and it applies for a grant.

Educational Technology Training Grants. Eliminate the educational technology training grant program, which provides funding to train teachers and librarians to use educational technology. Under current law, DOA must award a maximum of $1,500,000 annually to eligible consortia of school districts, public libraries, and public library systems.

Curriculum Grants. Eliminate curriculum grants to develop and implement a technology-enhanced high school curriculum. Under current law, DOA must provide a maximum of $25,000

annually to eligible consortia of school districts.

Joint Finance: Delete the reduction in expenditure authority of $6,025,000 annually to maintain base-level funding for the TEACH program in accordance with an errata to the budget forwarded by the administration.

In addition, delete the following provisions: (a) to specify that DOA may not charge educational agencies more than $100 per month for each data line that operates at a speed of 1 gigabyte per second; (b) to specify that a school district's eligibility is based on membership in the most recent school year for which finalized data is available; (c) to specify that grant awards for public libraries, library branches, and school districts are based on the applicant's population in the first year of a fiscal biennium; (d) to limit eligibility for public libraries and library branches to those that are located in rural territories, defined as "any territory, population, and housing units located outside urbanized areas or urban clusters;" and (e) to specify that a consortium of public libraries or a public library system is eligible if it contains three or more eligible public libraries or library branches and it applies for a grant.

5. FEDERAL E-RATE FUNDS TRANSFER TO THE UNIVERSAL SERVICE FUND [LFB Papers 102 and 610]

Governor: Transfer $24,200,000 FED ($6,900,000 in 2019-20 and $17,300,000 in 2020-21) from DOA's federal e-rate aid appropriation to the Universal Service Fund, administered by the Public Service Commission. Transferred funds are intended for broadband expansion grants to construct broadband infrastructure in underserved areas. [See "Public Service Commission."]

Federal e-rate funds are provided to the state to reimburse eligible expenses and are utilized for: (a) administration of the educational telecommunications access program, known as TEACH; (b) principal, interest, and rebate reimbursements related to financing educational technology infrastructure assistance to schools and public library boards; (c) payments to telecommunications providers that provide services to educational agencies eligible for rate discounts; and (d) other payments to eligible educational agencies to cover the costs of data lines, video links, and bandwidth access.

Joint Finance: Modify the provision to provide an additional $19,800,000 FED over the 2019-21 biennium for total one-time funding of $44,000,000 FED ($22,000,000 each year).

6. MODIFY APPROPRIATION AUTHORITY FOR RISK MANAGEMENT ADMINISTRATION [LFB Paper 103]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$2,825,000	- $2,825,000	$0

Governor: Modify DOA's appropriation for risk management administration from an

annual appropriation to a continuing appropriation. As under current law, specify that at the end of each fiscal year, the unencumbered balance of the appropriation would be transferred from the risk management administration appropriation to the risk management costs appropriation. The latter appropriation receives all risk management assessment revenues and pays for the expenses of the program, including transfers to the appropriation for administration, and which is used to pay claims for state property, liability, and worker's compensation losses. The Executive Budget Book indicates that the Governor recommends converting the appropriation from annual to continuing "due to the unpredictability of insurable events." Currently, expenditure authority for risk management administration is limited to the amount appropriated for the fiscal year. Under the bill, expenditures would be limited only to the amount of revenue transferred from the risk management costs appropriation to the administration appropriation. The bill does not limit the amount that may be transferred. Revenue for the risk management program is generated from assessments to state agencies.

Increase estimated risk management administration expenditures by $1,412,500 annually for supplies and services. Base funding for the appropriation is $10,719,900 annually.

Joint Finance: Delete provision.

7. PROCUREMENT AND RISK APPROPRIATION CREATION [LFB Paper 104]

Governor: Create a continuing PR appropriation for procurement and risk management services. Authorize DOA to provide technical assistance and other services relating to procurement and risk management for local governmental units and private organizations, including conducting educational seminars, courses, and conferences. The bill does not specify the meaning of "technical assistance and other services." Require DOA to charge fees sufficient to recover the costs of activities. The bill estimates expenditures for the appropriation at $0 annually. However, expenditure authority for a continuing appropriation that is not sum certain is only limited to the unencumbered balance in the appropriation account.

Joint Finance: Delete provision.

8. POSITION REALLOCATIONS

	Funding	Positions
FED	- $723,200	- 3.35
PR	723,400	3.35
Total	$200	0.00

Governor/Joint Finance: Delete $361,600 FED and 3.35 FED positions annually and provide $361,700 PR and 3.35 PR positions annually through modifications to various DOA appropriations to reflect current operations.

Positions and funding would be provided to the following PR appropriations: (a) printing, mail, communication, document sales, and information technology services to state agencies ($1,360,000 and 11.65 positions annually); and (b) risk management administration ($51,300 and 1.0 position annually).

Positions and funding would be deleted from a DOA appropriation for federal aid ($361,600

and 3.35 positions annually) and the following PR appropriations: (a) materials and services to state agencies and certain districts ($324,400 and 2.75 positions annually); (b) information technology and communication services to nonstate entities ($215,000 and 1.85 positions annually); (c) transportation and records ($188,100 and 1.25 positions annually); (d) procurement services ($183,000 and 2.25 positions annually); (e) capital planning and building construction services ($124,600 and 1.0 position annually); and (f) justice information systems ($14,500 and 0.2 positions annually).

9. TRANSFER ADMINISTRATION OF DOCUMENT SALES PROGRAM WITHIN DOA [LFB Paper 105]

Governor/Joint Finance: Rename DOA's current law appropriations for transportation, records, and document services and printing, mail, communication, and information technology services to state agencies to reflect the transfer of administration for the document sales program within DOA from the Division of Enterprise Operations to the Division of Enterprise Technology. Reallocate $194,300 PR and 2.0 PR positions annually from the renamed transportation and records appropriation to the renamed printing, mail, communication, document sales, and information technology services to state agencies appropriation ($69,800 PR for salaries, $25,900 PR for fringe benefits, and $98,600 PR for supplies and services). The program is funded from program revenue from fees charged to state agencies.

10. REPLACEMENT OF CAPITOL POLICE COMMUNICATION DEVICES

PR	$192,000

Governor/Joint Finance: Provide one-time financing of $192,000 in 2019-20 for replacement radios for the Division of Capitol Police. According to DOA, officers rely on the use of dual band radios for reliable, expedient and secure inter-agency and intra-divisional communications statewide. The recommendation is intended to replace dual band radios in Madison in order to continue to adhere to compliance standards and replace the following dual band radios: 36 Portable radios; five squad car mobile radios; and three command post and alternative site mobile radios.

11. REPEAL APPROVAL PROCESS FOR CAPITOL SECURITY CHANGES

Governor: Repeal the provision of 2017 Act 369 that requires DOA to submit any proposed changes to security at the Capitol, including the posting of a firearm restriction, to the Joint Committee on Legislative Organization (JCLO) for approval under a 14-day passive review process. Under current law, DOA may take any action related to security at the Capitol that is necessary to prevent or mitigate imminent danger and the Co-Chairs of JCLO may review the action later if they determine review is necessary.

Joint Finance: Delete provision.

12. ECONOMIC DEVELOPMENT LIAISON PROJECT POSITION

Governor: Remove Wisconsin Economic Development Corporation's (WEDC) authority to appoint and supervise the economic development liaison position that serves as the state's primary point of contact for any matters regarding the electronic and information technology manufacturing zone tax credit program (Foxconn). Under 2017 Act 58, 1.0 unclassified GPR project position was provided to DOA's supervision and management general program operations appropriation for economic development liaison activities under an agreement with WEDC through December 31, 2022. However, 2017 Act 369 provided WEDC with the authority to appoint and supervise the economic development liaison position. [For additional information, see "Wisconsin Economic Development Corporation."]

Joint Finance: Delete provision.

13. REDUCTIONS TO PERSONNEL MANAGEMENT GENERAL PROGRAM OPERATIONS

	Funding	Positions
PR	- $5,600,000	- 41.34

Joint Finance: Delete $2,800,000 and 41.34 positions annually from the Division of Personnel Management (DPM) general program operations appropriation. Reduce funding as follows: (a) permanent position salaries, $1,757,800 annually; (b) fringe benefits, $652,300 annually; and (c) supplies and services, $389,900 annually. Under 2017 Act 59, a proposal was approved to consolidate human resources and payroll and benefit services of various executive branch agencies within DPM. The Department was required to transfer $2,800,000 PR to the general fund in 2018-19 from DPM's general program operations appropriation. This provision would reduce expenditure and position authority for the appropriation accordingly, from $39,914,500 PR in 2019-20 and $39,921,400 PR in 2020-21 and 422.89 PR positions annually to $37,114,500 PR in 2019-20 and $37,121,400 PR in 2020-21 and 381.55 PR positions annually.

14. REPORT ON CAPITOL SECURITY

Joint Finance: Direct that the Department of Administration (DOA), in consultation with the City of Madison police, study the security and safety of the State Capitol and Capitol grounds. Require DOA to submit a report to the Governor and the Legislature by January 1, 2020, with recommendations for insuring the safety and security of visitors to and employees who work in the building as well as for people attending and participating in events on and around the Capitol.

Transfers

1. TRANSFER OF WORKER'S COMPENSATION HEARINGS FUNCTIONS FROM HEARINGS AND APPEALS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $7,200,800	- 36.50	$7,200,800	36.50	$0	0.00

Governor: Transfer $2,400,300 in 2019-20 and $4,800,500 in 2020-21 and 36.5 positions annually associated with workers compensation claims hearings from DOA's Division of Hearings and Appeals (DHA) to the Department of Workforce Development (DWD).

On the effective date of the bill, specify that 36.5 FTE positions and the incumbent DOA employees holding those positions, who perform duties relating to worker's compensation hearings would be transferred to DWD. Specify that transferred incumbent employees would have all rights and the same employment status that the employees held prior to the transfer, and that no employee who has obtained permanent status would be required to serve a probationary period. In addition, transfer from DHA to DWD all assets and liabilities, tangible personal property, pending matters, contracts, and rules and orders related to worker's compensation hearings. [See "Workforce Development -- Departmentwide."]

The 2015-17 biennial budget act included a provision to transfer most of the worker's compensation hearings functions from DWD to DHA. The 2017-19 biennial budget act transferred all of the remaining functions.

Joint Finance: Delete provision.

2. TRANSFER ADMINISTRATION OF HIGH-VOLTAGE IMPACT FEES [LFB Paper 110]

Governor: Transfer administration of one-time environmental impact fees and annual impact fees paid by persons granted certificates of public convenience and necessity for construction and operation of high-voltage transmission lines from DOA to the Public Service Commission (PSC). The bill would transfer all assets and liabilities, employees, employee status (permanent or otherwise), tangible personal property, contracts, rules and orders, and pending matters from DOA to PSC, as determined by the Secretary of the Department of Administration. [While provisions are included for incumbent employees, no position authority would be transferred.]

Under current law, owners of high-voltage transmission lines make a one-time payment equal to 5% of the cost of the transmission line, and annual payments equal to 0.3% of the cost of the transmission line to the Department of Administration, which then distributes the amounts in

a proportional manner to local governments affected by the transmission line. In 2017-18, DOA collected and expended $6.3 million for environmental impact fees and $5.1 million for annual impact fees.

Joint Finance: Delete provision.

Housing and Energy

1. ESTABLISH THE OFFICE OF SUSTAINABILITY AND CLEAN ENERGY

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$3,969,300	6.00	- $3,969,300	- 6.00	$0	0.00
SEG	8,000,000	0.00	- 8,000,000	0.00	0	0.00
Total	$11,969,300	6.00	- $11,969,300	6.00	$0	0.00

Governor: Establish the Office of Sustainability and Clean Energy within the Department of Administration (DOA). Provide $1,765,300 FED and $4,000,000 SEG in 2019-20, $2,204,000 FED and $4,000,000 SEG in 2020-21, and 6.0 FED positions annually. Specify that provisions take effect on the day after publication of the bill or on October 1, 2019, whichever is later.

Transfer from PSC. Transfer 5.0 FED positions, employee status (permanent or otherwise), assets, liabilities, tangible personal property, pending matters, contracts, and rules and orders from the Public Service Commission's (PSC) Office of Energy Innovation to DOA's Office of Sustainability and Clean Energy, as determined by the Secretary of DOA on the effective date of the bill. Transfer responsibilities from PSC to DOA as follows: (a) require DOA to administer federal energy grants; (b) require DOA to collect, analyze, interpret, and maintain the comprehensive data needed for effective state agency clean and renewable energy planning and effective review of those plans by the Governor and the Legislature; and (c) require DOA to prepare and maintain contingency plans for responding to critical energy shortages, in consultation with PSC. Further, repeal the State Energy Office within PSC and require PSC to consult with DOA on services provided to non-state units of government. Under 2015 Act 55, the State Energy Office was transferred from DOA to PSC. Under the bill, transferred programs exclude the Office of Energy Innovation's statewide energy efficiency and renewable resource programs.

Office of Sustainability and Clean Energy. Establish the Office of Sustainability and Clean Energy within DOA. Provide 1.0 FED unclassified administrator position, appointed by the Governor, in addition to the 5.0 FED positions transferred from PSC. Place the administrator in the executive salary group (ESG) 3 (under the 2017-19 compensation plan, an ESG 3 position has a salary range of $73,299 to $120,910 annually). Provide $1,765,300 FED in 2019-20 ($575,900

for salaries and fringe benefits, $289,500 for supplies and services, and $899,900 for local assistance) and $2,204,000 FED in 2020-21 ($618,200 for salaries and fringe benefits, $386,000 for supplies and services, and $1,199,800 for local assistance).

The Office would be responsible for: (a) promoting the development and use of clean and renewable energy; (b) advancing sustainability solutions in ways that improve the state's economy and environment, including initiatives that reduce carbon emissions, accelerate economic growth, and lower customer energy costs; (c) diversifying the resources used to meet the energy needs of consumers and generate jobs through the expansion of the state's clean energy economy; (d) studying and reporting on the status of existing clean and renewable energy efforts by the state, and developing future energy policy opportunities; (e) identifying and sharing information about clean energy funding opportunities for private, and state and local governmental entities; (f) performing duties necessary to maintain federal energy funding and any designations required for such funding; (g) assisting businesses, local units of government, and nongovernmental organizations that are pursuing clean energy opportunities; (h) providing advice and support to state agencies in developing or retrofitting sustainable infrastructure to reduce energy use and lessen negative impacts on air and water quality; and (i) taking other steps necessary to facilitate the above provisions and to identify and address barriers to implementation. Further, the Office would be responsible for providing technical assistance to non-state units of government to assist in the planning and implementation of energy efficiency and renewable resources and the Office may charge for such services. The Office must consult with PSC and may request technical and staff assistance from other state agencies in providing assistance to non-state units of government.

Clean Energy Grants. Provide $4,000,000 SEG annually from the environmental management account of the environmental fund for research grants that support clean energy production. Require the Office of Sustainability and Clean energy to administer the grant program. The environmental management account provides funding for: (a) recycling financial assistance to local governments; (b) Department of Natural Resources (DNR) administration of contaminated land cleanup and recycling programs; (c) debt service costs for general obligation bonds issued for state-funded cleanup of contaminated land and sediment and water pollution abatement programs; and (d) several other environmental programs. Approximately 90% of revenues to the account are received from solid waste tipping fees assessed on waste disposed of in state landfills. The environmental management account had a closing unencumbered balance of $6.1 million on June 30, 2018.

Joint Finance: Delete provision.

2. REPEAL SUNSET FOR DIESEL TRUCK IDLING REDUCTION GRANT PROGRAM

Governor: Repeal provisions that would sunset the diesel truck idling reduction grant program. The program aims to improve fuel efficiency and lower air pollution by providing grants to freight motor carriers headquartered in Wisconsin to purchase and install idling-reduction units for long-haul truck tractors. Under current law, the program is scheduled to sunset on June 30, 2020, for grant funds and December 31, 2021, for program administration. Base funding is $1,000,000 SEG for grants, and $79,400 SEG and 1.0 SEG position for program administration.

Funding is provided from the petroleum inspection fund.

Joint Finance: Delete provision.

3. HOUSING ASSISTANCE PROGRAM [LFB Paper 115]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,400,000	- $2,400,000	$0

Governor: Provide $1,200,000 annually for the Housing Assistance Program (HAP). Funding would be allocated as follows: (a) $900,000 annually for HAP grants; and (b) $300,000 annually to create a grant program under HAP for housing navigation services. Base funding for HAP is $300,000.

Under current law, HAP provides grants to local units of government, nonprofit organizations, for-profit organizations, and other entities for the operation of housing and associated supportive services for the homeless.

Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council on Homelessness. Created in 2017 Act 74, the 13-member council is attached to DOA's Division of Enterprise Operations. The Council is responsible for: (a) establishing a statewide policy with the purpose of preventing and ending homelessness; (b) coordinating the implementation of policy established by the Council; and (c) reporting on the activities of the Council to the Governor and to the Chief Clerk of each house of the Legislature. According to the Council, housing navigation grants will allow Continuums of Care to "work with housing providers as well as clients and case managers to provide a link between available units and those who need to rent affordable housing."

Joint Finance: Delete provision. Instead, reserve $1,200,000 annually in the Joint Committee on Finance supplemental appropriation for HPP.

4. HOMELESS PREVENTION PROGRAM [LFB Paper 115]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,600,000	- $1,600,000	$0

Governor: Provide $800,000 annually for the Homeless Prevention Program (HPP). Funding would be allocated as follows: (a) $500,000 annually for current services; and (b) $300,000 annually to establish a new diversion program within HPP. Base funding for HPP is $1,515,000.

Under current law, HPP services include: (a) rental assistance to households in the form of

security deposits, short-term rental subsidy, and/or utility costs; (b) foreclosure prevention, including payment of principal and interest on a mortgage loan that is past due, property taxes, and utility payments, if the homeowner shows the ability to make future payments; and (c) limited administrative funds.

Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council on Homelessness. According to the Council, diversion services include "searching for housing, providing a rental subsidy, other financial assistance, utility assistance, case management, mediation, connection to mainstream resources, or legal services."

Joint Finance: Delete provision. Instead, reserve $800,000 annually in the Joint Committee on Finance supplemental appropriation for HPP.

5. HOUSING QUALITY STANDARDS GRANT PROGRAM [LFB Paper 115]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Create a housing quality standards grant program and provide $500,000 annually. Under the bill, grants would be awarded to owners of rental housing units for purposes of satisfying applicable housing quality standards.

In November, 2018, the Interagency Council on Homelessness recommended the creation of a state-funded program, funded at $500,000 annually, to make forgivable loans to landlords to address quality deficiencies.

Joint Finance: Delete provision. Instead, reserve $500,000 annually in the Joint Committee on Finance supplemental appropriation for housing quality standard grants.

6. STATE SHELTER SUBSIDY GRANT PROGRAM [LFB Paper 115]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 annually for the State Shelter Subsidy Grant Program (SSSG). Base funding for SSSG is $1,113,600.

Under current law, SSSG provides grants to local units of government, nonprofit organizations, for-profit organizations, and other entities for shelter renovations, expansions, operations, or for the development of an existing building into a shelter. Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council on Homelessness.

Joint Finance: Delete provision. Instead, reserve $500,000 annually in the Joint Committee on Finance supplemental appropriation for SSSG.

7. HOMELESS CASE MANAGEMENT SERVICES [LFB Paper 115]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 annually for the Homeless Case Management Services Grant program. Base funding for homeless case management services at shelter facilities is $500,000. Funds are provided from the Department of Children and Families' (DCF) federal temporary assistance for needy families (TANF) program.

Under current law, funds are used to provide intensive case management services to homeless families, including: (a) financial management services; (b) employment services, including connecting parents who are job training graduates or who have a recent work history with their local workforce development board and assisting them with using the job center website maintained by the Department of Workforce Development; (c) services intended to ensure continuation of school enrollment for children; and (d) services to enroll unemployed or underemployed parents in a food stamp employment and training program or in the Wisconsin Works program.

Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council on Homelessness.

Joint Finance: Delete provision. Instead, reserve $500,000 annually in the Joint Committee on Finance supplemental appropriation for homeless case management services grants.

8. HOMELESS EMPLOYMENT PROGRAM REPEAL [LFB Paper 115]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $150,000	$150,000	$0

Governor: Repeal the homeless employment program, created under 2017 Act 59, which provides grants to municipalities to connect homeless individuals with permanent employment. Under current law, the program is funded $75,000 annually.

Joint Finance: Delete provision.

9. TRANSFER POSITIONS WITHIN DIVISION OF ENERGY, HOUSING, AND COMMUNITY RESOURCES [LFB Paper 115]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$150,000	1.00	- $150,000	- 1.00	$0	0.00
FED	- 268,000	- 2.00	268,000	2.00	0	0.00
PR	134,000	1.00	- 134,000	- 1.00	0	0.00
Total	$16,000	0.00	- $16,000	0.00	$0	0.00

Governor: Provide that 2.0 grants specialist - advanced positions within the Division of Energy, Housing, and Community Resources (DEHCR) be funded by GPR (1.0 position) and PR (1.0 position), rather than FED (2.0 positions). The positions would remain classified as grants specialist - advanced. Both FED positions have been vacant since August 5, 2018.

Reduce federal aid for state operations by $114,800 FED in 2019-20, $153,200 FED in 2020-21, and 2.0 FED annually. Provide $75,000 GPR and 1.0 GPR position annually to DEHCR's general program operations appropriation. Provide $57,400 PR in 2019-20, $76,600 PR in 2020-21, and 1.0 PR position annually to support the Homeless Case Management Services Grant program. Funds are provided from the Department of Children and Families' (DCF) federal temporary assistance for needy families (TANF) program.

Joint Finance: Delete provision.

Facilities

1. FACILITIES MANAGEMENT INCREASE [LFB Paper 120]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$2,217,400	- $70,000	$2,147,400

Governor: Provide expenditure authority of $1,098,400 in 2019-20 and $1,119,000 in 2020-21, and reallocate 3.0 positions annually for operations, maintenance, and office design services. Funding would be used to support operation costs and maintenance staffing of the Tommy G. Thompson Building (Madison), and to create a facilities management officer position "to manage increasing demand for office design services."

The modifications would provide $1,294,000 in 2019-20 and $1,314,600 in 2020-21 and 3.0 positions annually to DOA's facility operations and maintenance appropriation ($310,700 for salaries and fringe benefits and $983,300 for supplies and services in 2019-20, and $316,900 for

salaries and fringe benefits and $997,700 for supplies and services in 2020-21). Program revenue funding is provided from parking fees and rent charged to state agencies occupying space in state-owned facilities.

Positions and funding would be deleted from the following DOA appropriations: (a) materials and services to state agencies and certain districts ($75,600 and 1.0 position annually); (b) hearings and appeals fees ($66,200 and 1.0 position annually); and (c) general program operations; raffles and crane games ($53,800 and 1.0 position annually).

Joint Finance: Modify the provision (to correct technical errors) to provide $1,210,000 in 2019-20 and $1,308,400 in 2020-21 and reallocate 3.0 positions annually to DOA's facility operations and maintenance appropriation ($233,100 for salaries and fringe benefits and $976,900 for supplies and services in 2019-20, and $310,700 for salaries and fringe benefits and $997,700 for supplies and services in 2020-21). Further, delete positions and funding from the following PR appropriations within DOA: (a) services to non-state entities ($65,500 and 1.0 position annually); (b) hearings and appeals fees ($66,200 and 1.0 position annually); and (c) general program operations; Indian gaming ($53,800 and 1.0 position annually).

2. CONSTRUCTION REPRESENTATIVE POSITIONS

[LFB Paper 121]

	Funding	Positions
PR	$1,063,800	5.00

Governor/Joint Finance: Provide $455,900 in 2019-20, $607,900 in 2020-21, and 5.0 positions annually to DOA's Division of Facilities Development and Management ($412,700 for salaries and fringe benefits and $43,200 for supplies and services in 2019-20, and $550,200 for salaries and fringe benefits and $57,700 for supplies and services in 2020-21). The positions would provide construction oversight and contract administration services for state building projects. Program revenue funding is provided from fees assessed on state building project budgets.

3. MODIFY REQUIREMENTS FOR LEASED SPACE

Governor: Modify requirements related to DOA-owned leases such that the prerequisite cost-benefit analysis (CBA) and evaluation of comparable options apply only if DOA is entering into a new lease that costs over $25,000 annually. Exempt certain leases from the CBA and evaluation requirements, including: (a) leases for student housing; (b) public defender office space; (c) towers, hangars, and easements; (d) Department of Workforce Development job centers; (e) Department of Military Affairs recruiting offices; and (f) facilities with a location required by law or designated for necessity or practical purposes. Specify that the evaluation of comparable options need only be conducted within a 10-mile radius of the proposed property.

In general, with the exception of leases for the Legislature, DOA has responsibility for the leasing of all real property by the state. Under current law, DOA, before entering into, extending, or renewing any such lease, must conduct a cost-benefit analysis comparing the proposed lease to the purchase of the space or another suitable space and must evaluate comparable lease options within a 10-mile radius (or a wider radius if needed to perform a meaningful comparison) to ensure that the proposed lease rates do not exceed rates on comparable properties or the market rate by

more than five percent.

Joint Finance: Delete provision.

4. CAPITAL PLANNING AND BUILDING CONSTRUCTION BALANCE TRANSFER [LFB Paper 122]

PR-Transfer	$15,000,000
GPR-REV	5,000,000

Joint Finance: Transfer $10,000,000 PR from the capital planning and building construction services appropriation to the building trust fund in 2019-20. [This would replace the proposed $10,000,000 transfer from the general fund to the building trust fund.] Further, transfer $5,000,000 PR from the capital planning and building construction services appropriation to the general fund in 2020-21.

Base funding for the Department of Administration's capital planning and building construction services appropriation is $13,020,500 PR. Services are provided through DOA's Division of Facilities Development and Management, which staffs the State Building Commission. The appropriation is funded with program revenue derived from a 4% fee assessed on most state building project budgets. As of May, 2019, the appropriation's cash balance was approximately $21.1 million.

Division of Gaming

1. TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE [LFB Paper 125]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tribal	$55,759,800	- $7,043,100	$48,716,700

Governor: Appropriate $29,151,300 in 2019-20 and $29,072,300 in 2020-21 in tribal gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) allocations totaling $26,943,100 in 2019-20 and $26,839,600 in 2020-21 to various state agencies for programs unrelated to tribal gaming regulation or law enforcement; and (b) appropriations for the regulation of tribal gaming in DOA [$2,016,200 in 2019-20 and $2,040,700 in 2020-21], and tribal gaming law enforcement in the Department of Justice (DOJ) [$192,000 annually].

Tribal revenue paid to the state is based on provisions under the current state-tribal gaming compacts. Under the compacts, tribes are scheduled to make payments to the state based on a percentage of net revenue (gross revenue minus winnings). The percentages used to calculate state payments vary by tribe and, in some cases, may vary by year for the same tribe.

Under current law, Indian gaming receipts are credited to: (a) the DOJ Indian gaming law enforcement appropriation; (b) the DOA general program operations appropriation relating to Indian gaming regulation; and (c) a DOA appropriation for Indian gaming receipts in the amount necessary to make all the transfers specified under the appropriation to other state programs. Indian gaming receipts not otherwise credited to, or expended from, these appropriation accounts are deposited in the general fund.

The calculation for the general fund tribal revenue under the bill is summarized in the following table:

2019-21 Tribal Gaming General Fund Revenue under Governor

	2019-20	2020-21
Estimated Tribal Payments	$55,943,600	$56,380,000
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	140,600	140,600
Unobligated Funds Reversions	200,000	600,000
Total Revenue	$56,634,200	$57,470,600
Program Allocations to State Agencies	$29,151,300	$29,072,300
Program Reserves	38,100	83,300
Tribal Gaming General Fund Revenue	$27,444,800	$28,315,000

As noted, allocations to state agencies, including allocations to DOA and DOJ for regulation and law enforcement, total $29,151,300 in 2019-20 and $29,072,300 in 2020-21 under the bill.

Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 16 state agencies in 47 program areas, including the DOA regulation and DOJ enforcement appropriations. Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

Of these allocations, all except the youth treatment facility [item #1] and program operations for the tribal language revitalization grant program [item #34] are to appropriation accounts authorized under current law. Of the 47 program allocations, 29 are identical amounts to those provided in the 2017-19 biennium. Of the 18 allocations that changed, nine were affected by standard budget adjustments only [identified in the table below as items #20, #25, #28, #29, #31, #40, #42, #46, and #47]. The remaining nine are:

a. Tribal youth treatment wellness center [item #1, create an appropriation and provide $640,000 in 2019-20 to fund architectural plans for the center];

b. UW-Green Bay and Oneida Tribe programs assistance grants [item #3, restore $247,500 annually for First Nations education programing];

c. Tribal family service grants [item #5, transfer the appropriation from GPR to PR and provide an increase of $1,718,600 PR in 2019-20 and $1,867,500 PR in 2020-21. For more

information, see "Children and Families -- Child Welfare Services"];

d. Minority health program and public information campaign grants [item #16, transfer the appropriation from PR to GPR. For more information, see "Health Services -- Public Health"];

e. Wisconsin grant program for tribal college students [item #18, increase of $24,100 in 2019-20 and $25,300 in 2020-21. For more information, see "Higher Educational Aids Board"];

f. State snowmobile enforcement program for snowmobile safety training and fatality reporting [item #32, transfer the appropriation from PR to GPR. For more information, see "Natural Resources -- Conservation and Recreation"];

g. Tribal language revitalization grant operations [item #34, create an appropriation and provide $100,000 in 2020-21 for program operations. For more information, see "Public Instruction -- Administrative and Other Funding"];

h. General tourism marketing [item #35, an increase of $100,000 annually for marketing, including grants to nonprofit tourism promotion organizations. For more information, see "Tourism"];

i. Tribal elderly transportation [item #38, an increase of $39,600 annually for increased transportation services to tribal elders on and off tribal reservations. For more information, see "Transportation -- Local Transportation Aid"].

2019-21 Tribal Gaming Revenue Appropriations
Governor

	Agency	Program Revenue 2019-20	Program Revenue 2020-21	Purpose
1	Administration	$640,000	$0	Youth treatment wellness center.
2	Administration	563,200	563,200	County management assistance grant program.
3	Administration	247,500	247,500	UW-Green Bay and Oneida Tribe programs assistance grants.
4	Administration	79,500	79,500	Tribal governmental services and technical assistance.
5	Children and Families	1,718,600	1,867,500	Tribal family services grants.
6	Children and Families	717,500	717,500	Indian child high-cost out-of-home care placements.
7	Corrections	50,000	50,000	American Indian tribal community reintegration program.
8	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
9	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
10	Health Services	445,500	445,500	Indian substance abuse prevention education.
11	Health Services	445,500	445,500	Elderly nutrition; home-delivered and congregate meals.
12	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
13	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
14	Health Services	106,900	106,900	American Indian health projects.
15	Health Services	22,500	22,500	American Indian diabetes and control.
16	Health Services	0	0	Minority health program and public information campaign grants.
17	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
18	Higher Education Aids Board	505,900	531,200	Wisconsin Grant Program for tribal college students
19	Higher Education Aids Board	405,000	405,000	Tribal College Payments
20	Historical Society	246,300	246,300	Northern Great Lakes Center operations funding.
21	Historical Society	201,100	201,100	Collection preservation storage facility.
22	Justice	695,000	695,000	Tribal law enforcement grant program.
23	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
24	Justice	490,000	490,000	County law enforcement grant program.
25	Justice	115,400	115,400	County-tribal law enforcement programs: state operations.
26	Kickapoo Valley Reserve Board	69,400	69,400	Law enforcement services at the Kickapoo Valley Reserve.
27	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
28	Natural Resources	165,900	165,900	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
29	Natural Resources	125,700	125,700	Management of an elk reintroduction program.
30	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
31	Natural Resources	80,700	80,700	Reintroduction of whooping cranes.

	Agency	Program Revenue 2019-20	Program Revenue 2020-21	Purpose
32	Natural Resources	$0	$0	State snowmobile enforcement program, safety training and fatality reporting.
33	Public Instruction	222,800	485,000	Tribal language revitalization grants.
34	Public Instruction	0	100,000	Tribal language revitalization grants, program operations.
35	Tourism	9,067,100	9,067,100	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
36	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
37	Tourism	24,900	24,900	State aid for the arts.
38	Transportation	435,600	435,600	Elderly transportation grants.
39	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
40	University of Wisconsin System	256,100	256,200	Ashland full-scale aquaculture demonstration facility debt service payments.
41	University of Wisconsin-Madison	488,700	488,700	Physician and health care provider loan assistance.
42	Veterans Affairs	101,300	101,300	American Indian services veterans benefits coordinator position.
43	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
44	Wisconsin Tech. College System Board	594,000	594,000	Grants for work-based learning programs.
45	Workforce Development	314,900	314,900	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	$26,943,100	$26,839,600	
46	Administration	$2,016,200	$2,040,700	General program operations for Indian gaming regulation under the compacts.
47	Justice	192,000	192,000	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	$2,208,200	$2,232,700	
	Total Appropriations	$29,151,300	$29,072,300	

Joint Finance: Reestimate net tribal gaming revenue available for deposit to the general fund by -$3,607,100 in 2019-20 and -$3,436,000 in 2020-21 associated with the following changes: (a) reestimated tribal payments (-$2,552,800 in 2019-20 and -$2,769,200 in 2020-21); and (b) net program allocations to state agencies ($1,054,300 in 2019-20 and $666,800 in 2020-21 relative to the allocations used in calculating GPR-Tribal revenue under the bill).

2019-21 Tribal Gaming General Fund Revenue
Joint Finance

	2019-20	2020-21
Estimated Tribal Payments	$53,390,800	$53,610,800
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	140,600	140,600
Unobligated Funds Reversions	200,000	600,000
Total Revenue	$54,081,400	$54,701,400
Program Allocations to State Agencies	$30,205,600	$29,739,100
Program Reserves	38,100	83,300
Tribal Gaming General Fund Revenue	$23,837,700	$24,879,000

Several changes were made to allocations recommended by the Governor, and are shown in the list of allocations that follows: (a) reduce funding for the Wisconsin grant program for tribal college students by $24,100 in 2019-20 and $49,400 in 2020-21 (item #18); (b) restore funding for the state snowmobile enforcement program, safety training and fatality reporting, by $1,232,200 annually (item #32); (c) reduce funding for tribal language revitalization grants by $262,200 in 2020-21 (item #33); (d) reduce funding for tribal language revitalization grant program operations by $100,000 in 2020-21 (item #34); (e) reduce funding for general tourism marketing by $100,000 annually (item #35); and (f) reduce general program operations for gaming administration by $53,800 and 1.0 position annually, to appropriately align the positions with the funding source (item #46).

2019-21 Tribal Gaming Revenue Appropriations
Joint Finance

		Program Revenue		
	Agency	2019-20	2020-21	Purpose
1	Administration	$640,000	$0	Youth treatment wellness center.
2	Administration	563,200	563,200	County management assistance grant program.
3	Administration	247,500	247,500	UW-Green Bay and Oneida Tribe programs assistance grants.
4	Administration	79,500	79,500	Tribal governmental services and technical assistance.
5	Children and Families	1,718,600	1,867,500	Tribal family services grants.
6	Children and Families	717,500	717,500	Indian child high-cost out-of-home care placements.
7	Corrections	50,000	50,000	American Indian tribal community reintegration program.
8	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
9	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
10	Health Services	445,500	445,500	Indian substance abuse prevention education.
11	Health Services	445,500	445,500	Elderly nutrition; home-delivered and congregate meals.

	Agency	Program Revenue 2019-20	Program Revenue 2020-21	Purpose
12	Health Services	$250,000	$250,000	Reimbursements for high-cost mental health placements by tribal courts.
13	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
14	Health Services	106,900	106,900	American Indian health projects.
15	Health Services	22,500	22,500	American Indian diabetes and control.
16	Health Services	0	0	Minority health program and public information campaign grants.
17	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
18	Higher Education Aids Board	481,800	481,800	Wisconsin Grant Program for tribal college students
19	Higher Education Aids Board	405,000	405,000	Tribal College Payments
20	Historical Society	246,300	246,300	Northern Great Lakes Center operations funding.
21	Historical Society	201,100	201,100	Collection preservation storage facility.
22	Justice	695,000	695,000	Tribal law enforcement grant program.
23	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
24	Justice	490,000	490,000	County law enforcement grant program.
25	Justice	115,400	115,400	County-tribal law enforcement programs: state operations.
26	Kickapoo Valley Reserve Board	69,400	69,400	Law enforcement services at the Kickapoo Valley Reserve.
27	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
28	Natural Resources	165,900	165,900	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
29	Natural Resources	125,700	125,700	Management of an elk reintroduction program.
30	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
31	Natural Resources	80,700	80,700	Reintroduction of whooping cranes.
32	Natural Resources	1,232,200	1,232,200	State snowmobile enforcement program, safety training and fatality reporting.
33	Public Instruction	222,800	222,800	Tribal language revitalization grants.
34	Public Instruction	0	0	Tribal language revitalization grants, program operations.
35	Tourism	8,967,100	8,967,100	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
36	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
37	Tourism	24,900	24,900	State aid for the arts.
38	Transportation	435,600	435,600	Elderly transportation grants.
39	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
40	University of Wisconsin System	256,100	256,200	Ashland full-scale aquaculture demonstration facility debt service payments.
41	University of Wisconsin-Madison	488,700	488,700	Physician and health care provider loan assistance.
42	Veterans Affairs	101,300	101,300	American Indian services veterans benefits coordinator position.

	Agency	Program Revenue 2019-20	Program Revenue 2020-21	Purpose
43	Veterans Affairs	$61,200	$61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
44	Wisconsin Tech. College System Board	$594,000	$594,000	Grants for work-based learning programs.
45	Workforce Development	314,900	314,900	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	$28,051,200	$27,560,200	
46	Administration	$1,962,400	$1,986,900	General program operations for Indian gaming regulation under the compacts.
47	Justice	192,000	192,000	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	$2,154,400	$2,178,900	
	Total Appropriations	$30,205,600	$29,739,100	

2. TRIBAL YOUTH WELLNESS CENTER [LFB Paper 126]

PR	$640,000

Governor/Joint Finance: Create an annual appropriation for a youth wellness center under DOA. Provide $640,000 from tribal gaming revenue in 2019-20 to fund architectural plans for a youth substance abuse treatment center led by the Great Lakes Inter-Tribal Council. Under 2017 Act 59, $200,000 was provided to the Stockbridge-Munsee in 2017-18 to author a feasibility study and business plan for a regional juvenile substance abuse and mental health treatment facility. The resulting "Great Lakes Inter-Tribal Council Plan" was published in June, 2018.

3. UNIVERSITY OF WISCONSIN-GREEN BAY [LFB Paper 127]

PR	$495,000

Governor/Joint Finance: Provide $247,500 annually from tribal gaming revenue to fund the University of Wisconsin - Green Bay and Oneida Tribe programs assistance grant. Funds would support the Education Doctorate in First Nations Education and the Education Center for First Nations Studies (16 student dissertation fellowships and tuition scholarships, 0.5 faculty position, and programming with oral scholars). Under 2017 Act 59, funding for the program was eliminated.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$54,913,000	$60,936,300	$57,997,700	- $2,938,600	- 4.8%	$3,084,700	5.6%
FED	21,640,400	23,091,900	23,091,900	0	0.0	1,451,500	6.7
PR	52,956,000	56,485,700	56,613,200	127,500	0.2	3,657,200	6.9
SEG	67,826,000	74,715,000	72,672,800	- 2,042,200	- 2.7	4,846,800	7.1
TOTAL	$197,335,400	$215,228,900	$210,375,600	- $4,853,300	- 2.3%	$13,040,200	6.6%
BR		$10,000,000	$7,000,000				

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	199.40	203.40	199.40	- 4.00	0.00
FED	94.77	84.62	84.62	0.00	- 10.15
PR	216.72	217.27	218.77	1.50	2.05
SEG	130.40	131.50	130.50	- 1.00	0.10
TOTAL	641.29	636.79	633.29	- 3.50	- 8.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

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

Governor/Joint Finance: 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 non-continuing 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-

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

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$35,000	0.00	- $35,000	0.00	$0	0.00
PR	301,400	1.50	- 301,400	- 1.50	0	0.00
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: Delete provision.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$3,000,000	- $800,000	$2,200,000

Governor: Provide an additional $1,500,000 annually from the nonpoint account of the 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, although 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; non-structural 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: 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. Total available amounts for both grants would be $4,425,000 each year.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
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 soil and water resource management (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. The bill budgets nonpoint SEG of $5.0 million in 2019-20 and $5.1 million in 2020-21 for these purposes.

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.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$952,000	- $952,000	$0
SEG	1,848,000	- 898,000	950,000
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 first and second positions would have cost approximately $10.3 million. Second positions were last fully funded in the 2010 allocation.

Joint Finance: 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. Grants would be appropriated $9,439,100 each year in the 2019-21 biennium, consisting of $3,027,200 GPR and $6,411,900 nonpoint SEG.

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

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$678,900	3.00	- $678,900	- 3.00	$0	0.00
PR	0	0.00	678,900	3.00	678,900	3.00
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 May 29, DATCP reports it has issued 1,308 grower licenses and 618 processor licenses, and 1,224 growers have registered to plant approximately 15,590 acres of hemp.

Joint Finance: 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, 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's 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 as a result of the provision, if any, 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: Delete provision.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
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: Delete provision.

9. DAIRY PROCESSOR GRANTS [LFB Paper 135]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
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, among others, 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: Delete provision. Dairy processor grants would be maintained at base-level funding of $200,000 annually.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
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 written, the bill omits language authorizing the appropriation.)

Joint Finance: Delete provision.

11. FARMER MENTAL HEALTH ASSISTANCE [LFB Paper 138]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
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: Adopt the provision, but provide funding under the Joint Committee on

Finance's supplemental appropriation. DATCP could submit a request under s. 13.10 of the statutes for release of the funding. [See "Program Supplements."]

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

GPR	$200,000

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: 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. Grants would be appropriated $400,000 in 2019-20 and $200,000 in 2020-21.

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

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
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: Delete provision.

14. COUNTY AND DISTRICT FAIR AIDS

GPR	$50,000

Joint Finance: Provide an additional $25,000 annually for aids to county and district fairs. DATCP has base funding of $431,400 GPR each year for fair aids, and 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 would increase total funding to $456,400 GPR annually.

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

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	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: Delete provision, which would maintain the program at DNR.

16. POSITION REALIGNMENT

	Funding	Positions
FED	- $298,400	- 2.15
PR	283,200	2.05
SEG	15,200	0.10
Total	$0	0.00

Governor/Joint Finance: Transfer the following positions and associated salary and fringe benefit costs shown in the table between appropriations in order to align the funding sources of the positions with their current duties within the Department.

DATCP Position Realignment

Division/Appropriation	Fund	Annual Funding	Positions 2019-21
Food and Recreational Safety			
Fruit and vegetable inspection	PR	-$187,000	-3.70
Grain inspection and certification	PR	106,100	2.00
Food regulation	PR	21,000	0.25
Federal funds; food safety inspection	FED	-21,000	-0.25
Trade and Consumer Protection			
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
Agricultural Resource Management			
Industrial hemp	PR	$73,300	1.60
Management Services			
General laboratory services	PR	$128,200	1.90
Indirect cost reimbursements	FED	-128,200	-1.90

The transfers would 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

GPR	$657,500
SEG	727,600
Total	$1,385,100

Governor/Joint Finance: 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 best management practices installed under the soil and water resource management (SWRM) program.

Under the bill, 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]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
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. Under the bill, budgeted expenditure authority for general laboratory services is $3.9 million in 2019-20 and $4.0 million in 2020-21.

Joint Finance: Delete provision.

19. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES

PR	$450,000

Governor/Joint Finance: 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 the bill, 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

Governor/Joint Finance: 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 the bill, 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/Joint Finance: 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 are intended to align budgeted expenditures for the year with anticipated revenues, and do not limit future spending by the Department.

22. FEDERAL REVENUE REESTIMATES

FED	- $422,000

Governor/Joint Finance: Reestimate federal funds received by the Department in the 2019-21 biennium. Reductions would be allocated among the following program areas:

DATCP Federal Revenue Reestimates

Appropriation	Annual Reduction
Animal health services	-$41,000
Agricultural development	-50,000
U.S. Environmental Protection Agency aids	-50,000
Central administrative services	-70,000
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: Maintain the appropriation as an annual appropriation and increase expenditure authority by $150,000 annually.

APPROPRIATION OBLIGATION BONDS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$826,446,200	$791,823,600	$791,823,600	$0	0.0%	- $34,622,600	- 4.2%

FTE Position Summary

There are no full time positions associated with appropriation obligation bonds.

Budget Change Items

1. APPROPRIATION OBLIGATION BONDS DEBT SERVICE REESTIMATE -- PENSION BONDS

GPR	$9,471,600
GPR Effect of GPR-Lapse	80,285,200
Net GPR	$89,756,800

Governor/Joint Finance: Provide $9,471,600 in 2020-21 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued to pay the state's Wisconsin Retirement System unfunded prior service liability as well as the accumulated sick leave conversion credit program liability. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds in the second year of each biennium must equal the maximum possible payment that could be made in that year or the following year. Compared to the base level funding of $307,789,700, a larger payment is scheduled for 2020-21. Therefore, the GPR appropriation in 2020-21 is increased compared to the biennium's base level funding.

While the GPR appropriation is set at the maximum possible payment, any moneys not needed to pay the actual amount of debt service lapse (revert) to the general fund, and are shown as a GPR-lapse. In 2019-20 and 2020-21, principal payments on these bonds increase compared to 2018-19, which reduces the lapse amounts by $26,402,300 in 2019-20 and by $53,882,900 in 2020-21. The effect on the general fund of these adjustments would be an increase in net expenditures of $89.8 million.

2. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- TOBACCO BONDS

GPR	- $44,094,200
GPR Effect of GPR-Lapse	59,304,700
Net GPR	$15,210,500

Governor/Joint Finance: Reduce funding by $38,419,500 in 2019-20 and $5,674,700 in 2020-21 to reflect the required debt service appropriation level associated with the appropriation bonds issued in 2009 to finance the outstanding bonds of the Badger Tobacco Asset Securitization Corporation, under which the state regained the rights to its tobacco settlement payments. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds in the second year of each biennium must equal the maximum possible payment that could be made in that year or the following year. Compared to the base level funding of $105,433,400, smaller payments are scheduled in 2019-20 and 2020-21. Therefore, the GPR appropriations in 2019-20 and 2020-21 are decreased compared to the base level funding.

While the GPR appropriation is set at the maximum possible payment, any moneys needed to pay the actual amount of debt service, lapse (revert) to the general fund, and are shown as a GPR-lapse. In 2019-20 and 2020-21, principal payments on these bonds increase compared to 2018-19, which reduces the lapse amounts by $40,809,400 in 2019-20 and $18,495,300 in 2020-21. The effect on the general fund of these adjustments would be an increase in net expenditures of $15.2 million.

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$236,800	$239,200	$239,200	$0	0.0%	$2,400	1.0%
FED	2,890,800	2,955,200	2,955,200	0	0.0	64,400	2.2
TOTAL	$3,127,600	$3,194,400	$3,194,400	$0	0.0%	$66,800	2.1%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
FED	7.00	7.00	7.00	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	$2,400
FED	64,400
Total	$66,800

Governor/Joint Finance: Provide $32,400 ($800 GPR and $31,600 FED) in 2019-20 and $34,400 ($1,600 GPR and $32,800 FED) in 2020-21 to reflect the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits ($30,400 FED annually); and (b) full funding of lease payments and directed move costs ($800 GPR and $1,200 FED in 2019-20 and $1,600 GPR and $2,400 FED in 2020-21).

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$0	$3,447,100	$3,447,100	N.A.	$3,447,100	N.A.
FED	105,400	105,400	105,400	0	0.0%	0	0.0%
PR	3,320,400	3,447,100	0	- 3,447,100	- 100.0	- 3,320,400	- 100.0
TOTAL	$3,425,800	$3,552,500	$3,552,500	$0	0.0%	$126,700	3.7%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	0.00	0.00	9.50	9.50	9.50
PR	9.50	9.50	0.00	- 9.50	- 9.50
TOTAL	9.50	9.50	9.50	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$126,700

Governor/Joint Finance: Provide an increase of $62,200 in 2019-20 and $64,500 in 2020-21 for adjustments to the base budget as follows: (a) $59,900 annually for full funding of continuing salaries and fringe benefits; and (b) $2,300 in 2019-20 and $4,600 in 2020-21 for full funding of lease costs and directed moves.

2. CONVERT OPERATIONS FUNDING FROM PR TO GPR

	Funding	Positions
GPR	$3,447,100	9.50
PR	- 3,447,100	- 9.50
Total	$0	0.00

Joint Finance: Convert the program revenue (PR) appropriation for Board of Commissioners of Public Lands (BCPL) general operations to instead be supported by general purpose revenues (GPR). Convert bill general operations funding of $1,722,400 PR in 2019-20 and $1,724,700 PR in 2020-21 with

9.5 positions to GPR. Repeal BCPL's ability to deduct operations expenses from the gross receipts of BCPL-managed trust funds, but retain the existing PR operations appropriation.

Under current law, BCPL manages the Common School Fund, Normal School Fund, University Fund, and the Agricultural College Fund. BCPL distributes the interest earnings of the trust funds to each fund's beneficiary. For instance, BCPL distributes interest income from the Common School Fund to public school libraries. BCPL may deduct its own expenses related to the administration of the trust funds from the gross receipts of the trust funds. These amounts are budgeted under BCPL as program revenue. The provision would remove BCPL's ability to fund its operations from the proceeds of the trust funds, replacing it with a GPR appropriation at the same level of funding.

The provision would also reestimate school library aids by $1,500,000 in each year of the biennium from the Common School Fund, as the elimination of operations expense deductions would be expected to increase income distributions to beneficiaries. [See "Public Instruction -- Categorical Aids."]

BOARD ON AGING AND LONG-TERM CARE

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,943,200	$3,120,000	$3,153,100	$33,100	1.1%	$209,900	7.1%
PR	3,939,200	4,218,800	4,040,500	- 178,300	- 4.2	101,300	2.6
TOTAL	$6,882,400	$7,338,800	$7,193,600	- $145,200	- 2.0%	$311,200	4.5%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	19.18	20.23	20.48	0.25	1.30
PR	23.32	25.27	24.02	- 1.25	0.70
TOTAL	42.50	45.50	44.50	- 1.00	2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$28,000
PR	3,300
Total	$31,300

Governor/Joint Finance: Provide $14,400 ($14,000 GPR and $400 PR) in 2019-20 and $16,900 ($14,000 GPR and $2,900 PR) in 2020-21 to reflect the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits $27,800 ($14,000 GPR and $13,800 PR annually); and (b) full funding of lease payments and directed move costs (-$13,400 PR in 2019-20 and -$10,900 PR in 2020-21).

2. **OMBUDSMAN PROGRAM** [LFB Paper 160]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$148,800	1.05	$33,100	0.25	$181,900	1.30
PR	276,300	1.95	- 178,300	- 1.25	98,000	0.70
Total	$425,100	3.00	- $145,200	- 1.00	$279,900	2.00

Governor: Provide $182,200 ($63,800 GPR and $118,400 PR) in 2019-20 and $242,900 ($85,000 GPR and $157,900 PR) in 2020-21, to fund 3.0 additional positions (1.05 GPR positions and 1.95 PR positions), beginning in 2019-20, to increase supervision of the agency's ombudsman program. This item includes 2.0 long-term care services ombudsman supervisor positions and 1.0 aging and long-term care ombudsman lead worker.

The ombudsman program provides advocacy services to persons age 60 and older who are consumers of Wisconsin long-term care programs. Additionally, the ombudsman program: (a) investigates complaints regarding long-term care services; (b) resolves and mediates issues regarding long-term care services; (c) provides information and education on resident rights, restraints, and abuse reporting and prevention; and (d) works with enforcement agencies. Currently, the ombudsman program has one long-term care ombudsman supervisor position who oversees the work of one statewide lead ombudsman position, 21 regional ombudsman positions, and one intake specialist position.

Joint Finance: Delete 1.0 position (0.25 GPR position and -1.25 PR positions) beginning in 2019-20, so that the Board would be authorized 2.0 positions (1.30 GPR position and 0.70 PR position), beginning in 2019-20, including a lead ombudsman and an assistant supervisor. Reduce funding by $62,200 ($14,200 GPR and -$76,400 PR) in 2019-20 and by $83,000 ($18,900 GPR and -$101,900 PR) in 2020-21.

BONDING AUTHORIZATION

1. GENERAL OBLIGATION BONDING AUTHORIZATION

Governor: Provide general obligation bonding authority of $2,297,411,395, including the Governor's recommendations for the state building program, as indicated.

Joint Finance: Provide general obligation bonding authority of $1,772,358,195, as indicated.

Agency and Purpose	Governor	Joint Finance Committee
Administration		
Energy Conservation Projects	$75,000,000	$25,000,000
Agriculture, Trade and Consumer Protection		
Soil and Water	10,000,000	7,000,000
Building Commission		
Other Public Purposes (All Agency Projects)	350,984,400	277,485,800
Housing State Agencies	126,624,600	25,872,200
Alliant Energy Center; Exhibition Hall Expansion	30,000,000	0
Experience Greater Green Bay Visitor Information and Education Center	2,000,000	0
Incourage Community Foundation; Tribune Economic and Community Hub	3,000,000	0
Non-State Local Project Grant Program	0	25,000,000
Northern Wisconsin Regional Crisis Center	0	15,000,000
Corrections		
Correctional Facilities	43,996,000	-1,267,000
Juvenile Correctional Facilities	90,000,000	0
Secured Residential Care Centers for Children and Youth	60,000,000	40,000,000
Environmental Improvement Fund		
Clean Water Fund	13,500,000	13,500,000
Safe Drinking Water Loan Program	43,550,000	3,550,000
Health Services		
Mental Health Facilities	109,782,900	74,782,900
Historical Society		
Wisconsin History Center	70,000,000	70,000,000
Medical College of Wisconsin		
Medical College of Wisconsin; Cancer Research Facility	15,000,000	10,000,000
Military Affairs		
Armories and Military Facilities	3,606,000	3,606,000

Agency and Purpose	Governor	Joint Finance Committee
Natural Resources		
Contaminated Sediment Removal	$25,000,000	$4,000,000
Dam Safety Projects	4,000,000	4,000,000
Rural Nonpoint Source	6,500,000	6,500,000
Urban Nonpoint Source Cost-Sharing	4,000,000	4,000,000
SEG Revenue Supported Facilities	16,844,100	15,786,900
Total Maximum Daily Load Grants	4,000,000	0
Stewardship	0	42,600,000
Public Instruction		
State School, State Center, and Library Facilities	12,388,300	7,388,300
State Fair Park		
Board Facilities	6,000,000	0
Self-Amortizing Facilities	1,500,000	1,500,000
Transportation		
Freight Rail	30,000,000	30,000,000
Passenger Rail	45,000,000	10,000,000
Major Interstate Bridge Construction	27,000,000	27,000,000
Harbor Improvements	39,000,000	32,000,000
Southeast Megaprojects and High-Cost Bridge Projects	55,000,000	85,000,000
University of Wisconsin		
Academic Facilities	506,241,000	471,510,000
Self-Amortizing Facilities	462,217,700	435,866,700
Veterans Affairs		
Veterans Facilities	5,150,300	5,150,300
Self-Amortizing Facilities	5,523,700	5,523,700
Self-Amortizing Mortgage Loans	-4,997,605	-4,997,605
TOTAL General Obligation Bonds	$2,297,411,395	$1,772,358,195

2. REVENUE OBLIGATION BONDING AUTHORIZATION

Governor/Joint Finance: Provide revenue obligation bonding authority of $142,254,600, as indicated.

Agency and Purpose	Governor	Joint Finance Committee
Transportation Revenue Obligations	$142,254,600	$142,254,600
GRAND TOTAL General and Revenue Obligation Bonds	$2,439,665,995	$1,914,612,795

BUDGET MANAGEMENT AND COMPENSATION RESERVES

Budget Change Items

1. REQUIRED GENERAL FUND STRUCTURAL BALANCE [LFB Paper 174]

Joint Finance: Provide that s. 20.003(4m) of the statutes, which requires that no bill may be passed by the Legislature if the bill would cause estimated general fund expenditures to exceed estimated revenues in the second year of the biennium, would not apply to the action of the Legislature in adopting any legislation during the 2019-20 legislative session.

2. COMPENSATION RESERVES [LFB Papers 170, 171, 172, 173, and 285]

Governor: Provide, in the 2019-21 general fund condition statement, total compensation reserves of $55,174,300 in 2019-20 and $211,067,000 in 2020-21 for cost increases related to state and UW System employee salaries and fringe benefits. Total compensation reserve amounts by fund source and fiscal year are shown in the following table.

Fund Source	2019-20	2020-21
General Purpose Revenue	$24,886,600	$94,358,600
Federal Revenue	8,245,500	31,849,400
Program Revenue	17,062,100	66,896,100
Segregated Revenue	4,980,100	17,962,900
Total	$55,174,300	$211,067,000

The GPR and all funds compensation reserve amounts under the bill related to state and UW System employee fringe benefits include the following: (a) $2,876,100 GPR ($6,598,900 all funds) in 2019-20 and $17,841,100 GPR ($40,932,300 all funds) in 2020-21 to support prior period and inflationary increases for fringe benefits; (b) -$6,456,700 GPR (-$14,691,500 all funds) in 2019-20 and -$8,694,700 GPR (-$19,855,100 all funds) in 2020-21 associated with savings from the state's high deductible health care plan; (c) -$1,530,600 GPR (-$3,458,700 all funds) in 2019-20 and -$2,640,700 GPR (-$5,967,000 all funds) in 2020-21 associated with savings from employees opting out of the state's health insurance coverage net of the cost to provide $2,000 annual opt-out incentive payments; and (d) -$102,600 GPR (-$234,300 all funds) in 2019-20 and -$205,000 GPR (-$468,200 all funds) in 2020-21 associated with savings from additional health insurance opt-outs that could result from a modification to an exclusion of employees who opted out of the state's health insurance coverage in 2015 from receiving annual opt-out incentive payments. [For additional information regarding the proposed modification to the 2015 opt-out incentive exclusion, see "Employee Trust Funds."]

The GPR and all funds compensation reserve amounts under the bill related to salaries for

employees include the following: (a) $20,448,300 GPR ($47,305,800 all funds) in 2019-20 and $61,705,600 GPR ($142,765,200 all funds) in 2020-21 intended to support a 2% general wage adjustment (GWA) for state and UW System employees on January 1, 2020, as well as another 2% general wage adjustment for state and UW System employees on January 1, 2021; (b) $3,602,100 GPR ($7,334,800 all funds) in 2019-20 and $20,160,900 GPR ($41,052,600 all funds) in 2020-21 to institute a new pay progression system that is intended to increase the starting hourly wage for correctional officers and sergeants, youth counselors/advanced, and psychiatric care technicians/advanced as well as to reduce pay compression issues between levels (such as officers and sergeants) and improve pay at all years of service for individuals in these positions at the Department of Corrections and Department of Health Services; (c) $6,050,000 GPR ($12,319,300 all funds) annually to support market wage and parity adjustments for state employees in the classified service; (d) $93,300 GPR ($190,000 all funds) in 2020-21 to support an increase of minimum starting pay for all non-UW executive branch employees to $15 per hour by January 1, 2021; and (e) $48,100 GPR ($97,900 all funds) in 2020-21 to institute a pay progression system for the professional forensic science staff at the State Crime Labs in the Department of Justice to address recruitment and retention issues. As a result of instituting a pay progression system for crime laboratory positions, individuals in those positions would not be eligible for the second general wage adjustment. Funding for the GWA was reduced accordingly in 2020-21.

With regard to the 2% general wage adjustments for state and UW System employees, amounts in compensation reserves include general wage adjustments on January 1, 2020, and January 1, 2021, for state legislators, constitutional officers, judges and justices, assistant and deputy district attorneys, assistant state public defenders, assistant and deputy attorneys general, elected district attorneys, and staff of the Legislature and the Courts. The Department of Justice is also authorized under current law to utilize existing resources to support annual salary increases for assistant attorneys general under a pay progression plan. It should be noted that state legislators and elected district attorneys would become eligible for a pay increase under the Wisconsin State Constitution when assuming office in January, 2021. Elected officials qualifying for any increased salary amounts at that time would generally be those elected in November, 2020. Additionally, constitutional officers may not receive a salary modification until the officer completes his or her current term of office. The State Superintendent would be eligible for a pay increase when assuming office in July, 2021, while other constitutional officers would be eligible for a pay increase in January, 2023. Further, it should be noted that additional funding for salary increases for assistant and deputy district attorneys and assistant state public defenders is provided separately elsewhere in the budget. Information relating to these increases may be found under sections of this document for "District Attorneys" and "Public Defender."

Generally, compensation reserves represent reserves in the budget to provide funding for any increases in state employee salary and fringe benefit costs that may be required in the biennium, but for which funding is not included in the individual agency budgets as a part of the biennial budget. The reserve funds are not allocated at the time of budget development to individual agencies because neither the amount of any salary or fringe benefit cost increases, nor the specific amount of funding needed by each individual agency, is known at the time of budget development. Typically, amounts within compensation reserves are funds to pay for: (a) the employer share of increased premium costs in the forthcoming fiscal biennium for state employee health insurance; (b) the costs of any general wage adjustments or negotiated pay increases; (c)

increases in the employer share of contributions to the state retirement fund for employees' future state retirement benefits; and (d) pension obligation bond payments for the state's unfunded prior service liability for retirement benefits, the accumulated sick leave conversion credit program, and income continuation benefits.

Joint Finance: Modify amounts provided in 2019-21 for compensation reserves by -$26,679,700 in 2019-20 and $431,100 in 2020-21. As a result, compensation reserves would total $28,494,600 in 2019-20 and $211,498,100 in 2020-21. Total compensation reserves, as modified by the Joint Committee on Finance, are identified by fund source in the following table.

Compensation Reserves, By Fund Source,
As Modified by the Joint Committee on Finance

Fund Source	2019-20	2020-21
General Purpose Revenue	$13,351,800	$94,545,400
Federal Revenue	4,077,100	31,916,600
Program Revenue	7,850,100	67,044,100
Segregated Revenue	3,215,600	17,992,000
Total	$28,494,600	$211,498,100

Delete the provision associated with savings from additional health insurance opt-outs that could result from a modification to an exclusion of employees who opted out of the state's health insurance coverage in 2015 from receiving annual opt-out incentive payments and restore funding of $102,600 GPR ($234,300 all funds) in 2019-20 and $205,000 GPR ($468,200 all funds) in 2020-21.

Reestimate funding for fringe benefits by -$13,629,300 GPR (-$30,969,900 all funds) in 2019-20 to reflect a reduction in agency assessments for pension obligation bond payments. Further, direct that the Group Insurance Board, in consultation with the Department of Administration's Division of Personnel Management, make modifications to the high deductible health plan to realize state employer savings of $14,691,500 (all funds) in 2019-20 and $19,855,100 (all funds) in 2020-21, as estimated in the Governor's recommended budget.

Reestimate funding for two general wage adjustments of 2% each on January 1, 2020, and January 1, 2021, for state and UW System employees by -$870,600 GPR (-$1,772,800 all funds) in 2019-20 and -$2,033,200 GPR (-$4,140,100 all funds) in 2020-21. Reduce funding for market wage and parity adjustments by $4,050,000 GPR ($8,246,800 all funds) annually.

Delete $93,300 GPR ($190,000 all funds) in 2020-21 associated with a provision to increase minimum starting pay for all non-UW executive branch employees to $15 per hour by January 1, 2021. [The Division of Personnel Management would not be prohibited from including the minimum pay proposal in the 2019-21 state compensation plan, subject to Joint Committee on Employment Relations approval, if it determined the proposal could be implemented without additional funding.]

Increase funding for the pay progression system for correctional officers/sergeants, youth counselors/advanced, and psychiatric care technicians/advanced by $6,599,500 GPR ($13,438,200 all funds) in 2019-20 and $5,443,400 GPR ($11,084,000 all funds) in 2020-21 to support an hourly increase of $1.66 for correctional officers, youth counselors, and psychiatric care technicians and to increase pay for correctional sergeants, youth counselors-advanced, and psychiatric care technicians-advanced in a manner similar to the administration's proposal, effective January 1, 2020. Specify that employees at institutions with a $5 per hour add-on in effect would be ineligible to receive the increase until 2020-21.

Provide $313,000 GPR ($637,300 all funds) in 2019-20 and $714,900 GPR ($1,455,800 all funds) in 2020-21 for a long-term service award program administered for all protective service positions of the Department of Corrections and the Department of Health Services through the 2019-21 state compensation plan beginning January 1, 2020. One-time lump sum awards (bonuses) would be provided under the program as follows: (a) after completion of 10 years of service, $250; (b) after completion of 15 years of service, $500; (c) after completion of 20 years of service, $750; and (d) after completion of 25 years of service and every five years thereafter, $1,000.

The following table identifies the components of the compensation reserves calculation, as recommended by the Governor, as well as the modifications made by the Joint Committee on Finance.

GPR and All-Funds Compensation Reserves Components, as Modified by the Joint Committee on Finance

	Governor			Joint Finance Modifications			Compensation Reserves Total		
	2019-20	2020-21	2019-21 Biennium	2019-20	2020-21	2019-21 Biennium	2019-20	2020-21	2019-21 Biennium
Prior Period and Inflationary Increases for State Employee Fringe Benefits	$2,876,100	$17,841,100	$20,717,200	-$13,629,300	$0	-$13,629,300	-$10,753,200	$17,841,100	$7,087,900
General Wage Adjustments	20,448,300	61,705,600	82,153,900	-870,600	-2,033,200	-2,903,800	19,577,700	59,672,400	79,250,100
Correctional Officers Pay Plan	3,602,100	20,160,900	23,763,000	6,599,500	5,443,400	12,042,900	10,201,600	25,604,300	35,805,900
Market Wage and Parity Adjustments	6,050,000	6,050,000	12,100,000	-4,050,000	-4,050,000	-8,100,000	2,000,000	2,000,000	4,000,000
Long-Term Service Award Program	0	0	0	313,000	714,900	1,027,900	313,000	714,900	1,027,900
Minimum Pay Increase to $15 per Hour	0	93,300	93,300	0	-93,300	-93,300	0	0	0
Crime Lab Pay Progression	0	48,100	48,100	0	0	0	0	48,100	48,100
High Deductible Health Care Plan Savings	-6,456,700	-8,694,700	-15,151,400	0	0	0	-6,456,700	-8,694,700	-15,151,400
Opt-Out Incentive Savings	-1,530,600	-2,640,700	-4,171,300	0	0	0	-1,530,600	-2,640,700	-4,171,300
2015 Opt-Out Exclusion Repeal Savings	-102,600	-205,000	-307,600	102,600	205,000	307,600	0	0	0
Compensation Reserves Total - GPR	$24,886,600	$94,358,600	$119,245,200	-$11,534,800	$186,800	-$11,348,000	$13,351,800	$94,545,400	$107,897,200
Compensation Reserves Total - All Funds	$55,174,300	$211,067,000	$266,241,300	-$26,679,700	$431,100	-$26,248,600	$28,494,600	$211,498,100	$239,992,700

BUILDING COMMISSION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$87,720,000	$65,488,800	$65,264,600	- $224,200	- 0.3%	- $22,455,400	- 25.6%
PR	3,392,200	3,273,400	3,273,400	0	0.0	- 118,800	- 3.5
SEG	2,048,400	2,048,400	2,048,400	0	0.0	0	0.0
TOTAL	$93,160,600	$70,810,600	$70,586,400	- $224,200	- 0.3%	- $22,574,200	- 24.2%

FTE Position Summary

There are no full time positions authorized for the Building Commission.

Budget Change Items

1. DEBT SERVICE REESTIMATE [LFB Papers 176 and 177]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $22,231,200	- $224,200	- $22,455,400
PR	- 118,800	0	- 118,800
Total	- $22,350,000	- $224,200	- $22,574,200
GPR-Lapse	$0	- $5,400,000	- $5,400,000

Governor: Decrease funding by $13,223,200 GPR in 2019-20 and by $9,008,000 GPR in 2020-21 to reflect the reestimate of GPR debt service costs on state general obligation bonds and commercial paper debt issued for GPR-supported bonds as shown in the following table. Modify funding by -$768,600 PR in 2019-20 and $649,800 PR in 2020-21 for debt service on PR-supported bonds.

Joint Finance: Decrease estimated GPR debt service in 2020-21 by $224,200. The

reduction is due to the Committee's decision to decrease from $45,000,000 to $10,000,000 the Governor's recommended bonding authority for passenger rail projects. Estimate GPR-lapses of $300,000 annually attributable to the use of interest earnings on the bond security and redemption fund to pay GPR debt service. Also, estimate GPR-lapses of $2,400,000 annually to reflect GPR debt service savings on interest costs due to prepaying $56,200,000 of outstanding general obligation debt.

2. TRANSFER FROM THE GENERAL FUND TO THE STATE BUILDING TRUST FUND [LFB Paper 122]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Transfer	$10,000,000	- $10,000,000	$0
PR-Transfer	$0	$10,000,000	$10,000,000

Governor: Transfer $10,000,000 GPR in the 2019-21 fiscal biennium from the general fund to the state building trust fund. The state building trust fund is a segregated, nonlapsible fund that is used to finance advanced planning activities for projects enumerated in the state building program.

Joint Finance: Delete the Governor's recommendation. Instead, transfer $10,000,000 PR from the capital planning and building construction services appropriation to the building trust fund in 2019-20. Revenues to the capital planning and building construction services appropriation are primarily from a 4% fee the Department of Administration Division of Facilities Development and Management assesses on state building projects. Unused funds remaining in the appropriation can be utilized in subsequent years, subject to expenditure authority and the available balance. In recent years, the appropriation developed a cash balance that allows for a $10,000,000 transfer from the appropriation to the building trust fund.

3. USE OF PROCEEDS FROM THE LEASE OR SALE OF STATE-OWNED REAL PROPERTY [LFB Paper 175]

Governor: Modify current law procedures under which the Department of Administration (DOA) or the State Building Commission may lease or sell state-owned real property to allow the proceeds from the lease or sale of such property to be used in lieu of bonding for state building projects.

Authorize DOA or the Building Commission to deposit some or all of the net proceeds from the lease or sale of state-owned real property, not to exceed the amount that would have been deposited in the bond and security and redemption fund under current law, into the capital improvement fund for use as a substitute source of funding for a project enumerated under the authorized state building program that is within the same statutory bond purpose as the property leased or sold. Specify that DOA or the Building Commission would be responsible for determining which projects to fund and would authorize expenditures for those projects. Modify the current factors considered by DOA or the Building Commission to also consider the costs of

establishing an escrow needed to redeem the outstanding debt and the costs of maintaining federal tax law compliance in the selection of the project financed with the lease or sale proceeds. Specify that if DOA or the Building Commission deposits lease or sale proceeds into the capital improvement fund for use as a substitute source of funding, the amount of public debt that may be contracted under the statutory bond purpose for which the amount deposited is used as a substitute funding source would be reduced by the amount used as a substitute source of funding.

Require that if there are any outstanding revenue obligations used to finance the acquisition, construction, or improvement of any property that is leased or sold, DOA and the Building Commission must adhere to any restrictions in the authorizing resolution governing the use of the lease or sale proceeds. To the extent the authorizing resolution does not restrict the use of such proceeds, authorize DOA or the Building Commission to deposit an amount in the appropriate revenue obligation fund or apply the amount for a purpose for which similar revenue obligations may be issued under current law. Specify that if the net proceeds exceed the amount required to be deposited, paid, or used for another purpose, then in addition to paying debt service, the net proceeds or the remaining net proceeds could be used for a purpose for which similar revenue obligations may be issued under current law. Specify that if DOA or the Building Commission deposits net proceeds from a property leased or sold into an appropriate fund or applies net proceeds for a purpose for which revenue obligations may be issued, the amount of revenue obligations authorized under current law would be reduced by the amount deposited or applied.

Specify that these exceptions do not apply to bonds issued for the Milwaukee Initiative, the Wisconsin Initiative for State Technology and Applied Research Program, the HealthStar Program, the BioStar Initiative, amounts allocated for the repair and renovation of University of Wisconsin System facilities, and for the Bradley Center Sports and Entertainment Corporation.

Under current law, if there is any outstanding public debt used to finance the acquisition, construction, or improvement of property leased or sold by the state, DOA or the Building Commission must deposit the net proceeds from the lease or sale into the bond security and redemption fund to repay the principal and to pay the interest on the debt and to pay any premium due upon refunding any of that debt. DOA or the Building Commission must also allocate an amount from the net proceeds to pay for the costs of maintaining federal tax law compliance applicable to the debt. If the property was acquired, constructed, or improved with federal financial assistance, DOA or the Building Commission must pay to the federal government any of the proceeds required by federal law. If the property was acquired by gift or grant or with gift or grant funds, DOA or the Building Commission must adhere to any restriction governing use of the proceeds. If there is no debt outstanding on the property, there are no moneys payable to the federal government, and there is no restriction governing use of the proceeds, and if the net proceeds exceed the amount required to be deposited, paid, or used for another purpose, DOA or the Building Commission must use the net proceeds (or remaining net proceeds) to pay principal and interest costs on outstanding public debt issued to finance the acquisition, construction, or improvement of other state property. If any net proceeds remain thereafter, DOA or the Building Commission must use the net proceeds to pay principal and interest costs on other outstanding public debt.

Joint Finance: Delete provision.

BUILDING PROGRAM

1. 2019-21 ENUMERATED PROJECTS AND CHANGES TO PRIOR BUILDING PROGRAMS [LFB Papers 180 and 239]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
All Funds	$2,317,531,400	- $500,699,100	$1,816,862,300

Governor: Provide $2,317,531,400 from all funding sources of 2019-21 building program financing authority for: (a) specific enumerated projects ($1,745,492,100); and (b) all agency projects ($572,039,300).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) $1,850,873,000 from new general obligation bonding authority; (b) $51,831,300 from general obligation bonding authority that is currently authorized; (c) $9,080,000 of new revenue bonding authority; (d) $90,965,500 from agency operating funds; (e) $32,094,800 from federal funds; and (f) $282,686,800 from gifts, grants, and other receipts.

The funding sources for the 2019-21 building program by agency are shown in Table 1. The major agency projects enumerated as part of the 2019-21 state building program, as recommended by the Governor, are listed in Table 3.

Joint Finance: Provide $1,816,862,300 from all funding sources of 2019-21 building program financing authority for: (a) specific enumerated projects ($1,384,823,000); and (b) all agency projects ($432,039,300).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) $1,453,219,800 from new general obligation bonding authority; (b) $7,615,400 from general obligation bonding authority that is currently authorized; (c) $9,080,000 of existing revenue bonding authority; (d) $91,565,500 from agency operating funds; (e) $32,094,800 from federal funds; and (f) $223,286,800 from gifts, grants, and other receipts.

The funding sources for the 2019-21 building program by agency are shown in Table 2. The major agency projects enumerated as part of the 2019-21 state building program, as recommended by the Governor and Committee, are listed in Table 3.

TABLE 1

Governor's Recommended Financing Sources for the 2019-21 Building Program

	New General Obligation Bonds			Revenue	Existing General Obligation	Agency Operating	Gifts, Grants,		
	GPR	PR	SEG	Bonds	Bonds	Funds	and Other	Federal	Total
Administration	$0	$106,447,000	$0	$0	$4,000,000	$0	$0	$0	$110,447,000
Building Commission	50,000,000	0	0	0	0	0	149,400,000	0	199,400,000
Corrections	103,996,000	0	0	0	40,000,000	0	0	0	143,996,000
Health Services	54,848,900	0	0	0	0	0	0	0	54,848,900
Military Affairs	3,554,000	0	0	0	0	0	0	4,553,000	8,107,000
Natural Resources	4,913,500	0	15,033,300	0	1,255,900	0	300,000	89,200	21,591,900
Public Instruction	12,388,300	0	0	0	0	0	0	0	12,388,300
State Fair Park	6,000,000	0	0	0	0	0	0	0	6,000,000
University of Wisconsin System	506,241,000	393,173,500	0	0	0	71,684,500	99,109,000	0	1,070,208,000
Veterans Affairs	5,150,300	5,523,700	0	0	0	574,000	0	7,257,000	18,505,000
Wisconsin Historical Society	70,000,000	0	0	0	0	0	30,000,000	0	100,000,000
Subtotal	$817,092,000	$505,144,200	$15,033,300	$0	$45,255,900	$72,258,500	$278,809,000	$11,899,200	$1,745,492,100
All Agency									
Facilities Repair and Renovation	$242,624,200	$52,643,600	$0	$7,900,000	$4,929,600	$10,549,800	$2,171,100	$3,457,100	$324,275,400
Utilities Repair and Renovation	80,894,700	36,380,200	1,810,800	1,180,000	1,645,800	7,626,600	1,706,700	10,733,500	141,978,300
Health, Safety and Environmental Protection	13,308,000	960,000	0	0	0	0	0	1,420,000	15,688,000
Energy Conservation	0	75,000,000	0	0	0	0	0	0	75,000,000
Preventative Maintenance Program	0	0	0	0	0	315,000	0	0	315,000
Programmatic Remodeling and Renovation	1,903,000	0	0	0	0	0	0	4,585,000	6,488,000
Land and Property Acquisition	894,000	0	0	0	0	0	0	0	894,000
Capital Equipment and Acquisition	6,447,000	738,000	0	0	0	215,600	0	0	7,400,600
Subtotal	$346,070,900	$165,721,800	$1,810,800	$9,080,000	$6,575,400	$18,707,000	$3,877,800	$20,195,600	$572,039,300
TOTAL	$1,163,162,900	$670,866,000	$16,844,100	$9,080,000	$51,831,300	$90,965,500	$282,686,800	$32,094,800	$2,317,531,400

TABLE 2

Joint Finance Committee Recommended Financing Sources for the 2019-21 Building Program

	New General Obligation Bonds			Existing General Obligation Bonds	Existing Revenue Bonds	Agency Operating Funds	Gifts, Grants, and Other	Federal	Total
	GPR	PR	SEG						
Administration	$0	$5,694,600	$0	$0	$0	$0	$0	$0	$5,694,600
Building Commission	40,000,000	0	0	0	0	0	0	0	40,000,000
Corrections	23,733,000	0	0	0	0	0	0	0	23,733,000
Health Services	34,848,900	0	0	0	0	0	0	0	34,848,900
Medical College of Wisconsin	10,000,000	0	0	0	0	0	90,000,000	0	100,000,000
Military Affairs	3,554,000	0	0	0	0	0	0	4,553,000	8,107,000
Natural Resources	2,514,900	0	13,976,100	1,040,000	0	0	300,000	89,200	17,920,200
Public Instruction	7,388,300	0	0	0	0	0	0	0	7,388,300
State Fair Park	0	0	0	0	0	3,000,000	0	0	3,000,000
University of Wisconsin System	471,510,000	385,322,500	0	0	0	69,684,500	99,109,000	0	1,025,626,000
Veterans Affairs	5,150,300	5,523,700	0	0	0	574,000	0	7,257,000	18,505,000
Wisconsin Historical Society	70,000,000	0	0	0	0	0	30,000,000	0	100,000,000
Subtotal	$668,699,400	$396,540,800	$13,976,100	$1,040,000	$0	$73,258,500	$219,409,000	$11,899,200	$1,384,823,000
All Agency									
Facilities Repair and Renovation	$187,024,200	$48,643,600	$0	$4,929,600	$7,900,000	$10,149,800	$2,171,100	$3,457,100	$264,275,400
Utilities Repair and Renovation	65,394,700	21,880,200	1,810,800	1,645,800	1,180,000	7,626,600	1,706,700	10,733,500	111,978,300
Health, Safety and Environmental Protection	13,308,000	960,000	0	0	0	0	0	1,420,000	15,688,000
Energy Conservation	0	25,000,000	0	0	0	0	0	0	25,000,000
Preventative Maintenance Program	0	0	0	0	0	315,000	0	0	315,000
Programmatic Remodeling and Renovation	1,903,000	0	0	0	0	0	0	4,585,000	6,488,000
Land and Property Acquisition	894,000	0	0	0	0	0	0	0	894,000
Capital Equipment and Acquisition	6,447,000	738,000	0	0	0	215,600	0	0	7,400,600
Subtotal	$274,970,900	$97,221,800	$1,810,800	$6,575,400	$9,080,000	$18,307,000	$3,877,800	$20,195,600	$432,039,300
TOTAL	$943,670,300	$493,762,600	$15,786,900	$7,615,400	$9,080,000	$91,565,500	$223,286,800	$32,094,800	$1,816,862,300

TABLE 3

State Agency 2019-21 Enumerated Major Projects
Total Project Authority (All Funding Sources)

	Governor	Jt. Finance
Administration		
Madison – Hill Farms DEL Heating and Electrical Distribution System Replacement	$6,252,400	$0
Madison – State Revenue Building New Parking Ramp and Parking Upgrades	5,694,600	5,694,600
Milwaukee – New State Office Building	98,500,000	0
Subtotal	$110,447,000	$5,694,600
Building Commission		
Alliant Energy Center – Exhibition Hall Expansion	$77,400,000	$0
Experience Greater Green Bay – Visitor Education Center Building	7,000,000	0
Incourage Community Foundation – Tribune Economic and Community Hub	15,000,000	0
Non-State Local Project Grant Program	0	25,000,000
Northern Wisconsin Regional Crisis Center	0	15,000,000
Subtotal	$99,400,000	$40,000,000
Corrections		
Jackson Correctional Institution – New Barracks Housing Unit	$10,000,000	$0
Lincoln Hills School/Copper Lake School – New Restrictive Housing Unit*	10,263,000	0
Milwaukee Secure Detention Facility – Building Wide Ventilation Improvements	8,100,000	8,100,000
New Maximum Security Correctional Facility	0	5,000,000
Stanley Correctional Institution – New Health Services Unit	10,633,000	10,633,000
Taycheedah Correctional Institution – New Barracks Housing Unit	5,000,000	0
Subtotal	$43,996,000	$23,733,000
Health Services		
Mendota Mental Health Institute – Food Service Building Renovation	$28,923,900	$28,923,900
Mendota Mental Health Institute – Utility Relocation	20,000,000	0
Wisconsin Resource Center – Wet Cell Units 9 and 10 Remodel	5,925,000	5,925,000
Subtotal	$54,848,900	$34,848,900
Medical College of Wisconsin	$100,000,000	$100,000,000
Military Affairs		
Madison – Motor Vehicle Storage Building	$1,613,000	$1,613,000
Milwaukee – Readiness Center Renovation Phase III	6,494,000	6,494,000
Subtotal	$8,107,000	$8,107,000
Natural Resources		
Black River Falls Service Center – Fire Response Ranger Station Replacement	$2,187,100	$2,187,100
Cornell Ranger Station – Fire Response Ranger Station Replacement	2,074,800	2,074,800
Council Grounds State Park – Campground Toilet/Shower Building Replacement	1,085,600	1,085,600
Gresham Ranger Station – Consolidated Fire Response Ranger Station	2,212,700	2,212,700
Hank Aaron State Trail – Connection Ramp to Highway 100	1,097,900	1,097,900
Mercer Ranger Station – Fire Response Ranger Station Replacement	4,012,900	4,012,900
Minong Ranger Station – Fire Response Ranger Station Replacement	2,927,800	2,927,800
Pattison State Park – Campground Toilet/Shower Building Replacement	1,041,900	0
Potawatomi State Park – Public Entrance Visitor Station Replacement	1,572,600	0
South Central Fisheries Operations Headquarters – Replace Fisheries and Water Quality Building	1,057,200	0
Wausau Service Center – Service Center Addition	1,274,500	1,274,500
Yellowstone Lake State Park – Campground Toilet/Shower Building Replacement	1,046,900	1,046,900
Subtotal	$21,591,900	$17,920,200

	Governor	Jt. Finance
Public Instruction		
Wisconsin Educational Services Program for the Deaf and Hard of Hearing – Comprehensive Code Upgrades	$7,388,300	$7,388,300
Wisconsin Educational Services Program for the Deaf and Hard of Hearing – New Auditorium	5,000,000	0
Subtotal	$12,388,300	$7,388,300
State Fair Park		
State Fair Park – Restroom Replacement	$3,000,000	$0
State Fair Park – West Side Gate Addition and Improvements	3,000,000	3,000,000
Subtotal	$6,000,000	$3,000,000
Wisconsin Historical Society		
Wisconsin History Museum	$100,000,000	$100,000,000
University of Wisconsin System		
Eau Claire – Science/Health Science Building, Phase I	$109,000,000	$109,000,000
La Crosse – Coate/Sandford Halls Additions and Renovations	15,251,000	0
La Crosse – Fieldhouse and Soccer Support Facility	49,035,000	49,035,000
La Crosse – Graff Main Hall HVAC System Renovation	13,822,000	13,822,000
La Crosse – Prairie Springs Science Center, Phase II	83,020,000	0
Madison – Camp Randall Stadium/Field House Renovation	77,646,000	77,646,000
Madison – Gymnasium/Natatorium Replacement	126,391,000	126,391,000
Madison – Kohl Center Addition and Renovation	48,074,000	48,074,000
Madison – Sellery Hall Addition and Renovation	78,811,000	78,811,000
Madison – Veterinary Medicine Addition and Renovation	128,103,000	128,103,000
Milwaukee – Chemistry Building/Utility Extensions	129,535,000	129,535,000
Milwaukee – Klotsche Center Annex Addition	7,000,000	7,000,000
Milwaukee – Student Union Renovation	40,723,000	40,723,000
Parkside – Campus-wide Fire Alarm System Renovation	6,773,000	6,773,000
Stout – South Hall Addition and Renovation	35,015,000	35,015,000
System-wide – Classroom Renovations/Instructional Technology Improvements	38,000,000	31,689,000
System-wide – Major Facility Renewal Program	30,000,000	0
System-wide Minor Facility Renewal Group 1: Madison -- Multi Building Fire Alarm System Replacement & Renovation, Phase 8; Madison -- Fluno Center Plaza Deck Waterproofing & Repair; Green Bay -- Mary Ann Cofrin Hall/Wood Hall Exterior Envelope Repair; Stout -- Site Utility Steam Distribution System Box Conduit Replacement; and Milwaukee -- Engineering Math Science Building MEP Infrastructure Renovation	0	30,000,000
System-wide Minor Facility Renewal Group 2: Madison -- Multi-Building Sprinkler System Retrofit & Renovation; Madison -- Site Utility Steam Distribution Pit 4/13-79/12 Replacement; Madison Site Utility Steam Distribution Pit 59/10-Ag Bulletin/Soils/ King Replacement; Madison -- Site Utility Electrical Distribution System Renovation & Replacement; Milwaukee -- Mitchell Hall Exterior Envelope Repair & Exterior Window Replacement	0	30,000,000
System-wide Minor Facility Renewal Group 3: Madison -- Multi-Building Elevator Renovation & Replacement; Milwaukee -- Multi-Building Exterior Envelope Repair; Madison -- Multi-Building Exterior Envelope Repair; Platteville -- Karrmann Library HVAC System Renovation/Skylight Replacement; Oshkosh -- Gruenhagen Hall Plumbing Riser Replacement; Platteville -- Ottensman Hall Central Chilled Water Plant Expansion; Whitewater -- McGraw Hall Exterior Entrance Repair	0	30,000,000
System-wide – Utility Improvements	54,009,000	54,009,000
Subtotal	$1,070,208,000	$1,025,626,000

	Governor	Jt. Finance
Veterans Affairs		
King – Lighting and Electrical Upgrades	$4,832,000	$4,832,000
Spooner – Northern Wisconsin Veterans Memorial Cemetery Phase IV Improvements	2,469,000	2,469,000
Union Grove – Southern Wisconsin Veterans Memorial Cemetery Administration Building Expansion and Fire Protection	2,176,000	2,176,000
Union Grove – Southern Wisconsin Veterans Memorial Cemetery Phase V Improvements	5,362,000	5,362,000
Union Grove – Telephone and Member Safety Upgrades	3,666,000	3,666,000
Subtotal	$18,505,000	$18,505,000
All Agency		
Facility Maintenance and Repair	$324,275,400	$264,275,400
Utility Repair and Renovation	141,978,300	111,978,300
Health, Safety and Environmental Protection	15,688,000	15,688,000
Energy Conservation	75,000,000	25,000,000
Preventive Maintenance Program	315,000	315,000
Programmatic Remodeling and Renovation	6,488,000	6,488,000
Land and Property Acquisition	894,000	894,000
Capital Equipment Acquisition	7,400,600	7,400,600
Subtotal	$572,039,300	$432,039,300
Total	$2,217,531,400**	$1,816,862,300

*The Committee funded advanced planning for the Lincoln Hills School/Copper Lake School -- New Restrictive Housing Unit project under Corrections with $500,000 of building trust funds.
**The Governor recommended enumerating $100,000,000 for County Secured Residential Care Centers for Children and Youth as part of the 2019-21 building program; for ease of comparison, this project is shown under changes to the 2017-19 building program.

Changes to 2017-19 Building Program Projects
Total Project Authority (All Funding Sources)

	Governor	Jt. Finance
Corrections		
Juvenile Corrections Regional Facilities	$115,000,000	$0
County Secured Residential Care Centers for Children and Youth*	100,000,000	80,000,000
Subtotal	$215,000,000	$80,000,000
Health Services		
Mendota Mental Health Institute – Juvenile Treatment Center Expansion	$58,994,000	$43,994,000
Total	$273,994,000	$123,994,000

*The Governor recommended enumeration of this project in the 2019-21 building program.

Changes to 2015-17 Building Program Projects
Total Project Authority (All Funding Sources)

	Governor	Jt. Finance
Health Services		
Central Wisconsin Center – Building 6 Life Safety Remodel*	$15,040,000	$17,308,000
Military Affairs		
West Bend – Aircraft Hangar Addition and Renovation	8,792,000	8,792,000
Total	$23,832,000	$26,100,000
Grand Total	$2,515,357,400	$1,966,956,300

*The Governor's recommended funding for this project omitted $2,268,000 of existing general fund supported bonding that was previously authorized for this project. The amount recommended by the Joint Finance Committee includes this funding.

2. BONDING AUTHORIZATIONS IN BUILDING PROGRAM

Governor: Provide $1,995,859,000 of new general obligation bonding authority for 2019-21 building program projects and projects enumerated in prior building programs, as shown in the following table.

Joint Finance: Modify the Governor's recommendation by the following: (a) -$50,000,000 of Administration -- energy conservation projects bonding; (b) -$73,498,600 of Building Commission -- other public purpose bonding; (c) -$100,752,400 of Building Commission -- housing state agencies bonding; (d) -$35,000,000 of Building Commission -- non-state agency bonding; (e) $25,000,000 of Building Commission -- non-state local project grant program; (f) $15,000,000 of Building Commission -- Northern Wisconsin Regional Crisis Center; (g) -$135,000,000 of Corrections bonding; (h) -$35,000,000 of Health Services bonding; (i) -$5,000,000 of bonding for the Medical College of Wisconsin; (j) -$1,057,200 of Natural Resources bonding; (k) -$5,000,000 of Public Instruction bonding; (l) -$6,000,000 of State Fair Park bonding; (m) -$34,731,000 of UW System general fund supported bonding; and (n) -$26,351,000 of UW System program revenue supported bonding.

2019-21 Building Program Bonding Authorizations

Purpose	Governor	Jt. Finance
Administration		
Energy Conservation Projects	$75,000,000	$25,000,000
Building Commission		
Other Public Purposes (All Agency Projects)	350,984,400	277,485,800
Housing State Agencies	126,624,600	25,872,200
Alliant Energy Center; Exhibition Hall Expansion	30,000,000	0
Experience Greater Green Bay Visitor Information and Education Center	2,000,000	0
Incourage Community Foundation; Tribune Economic and Community Hub	3,000,000	0
Non-State Local Project Grant Program	0	25,000,000
Northern Wisconsin Regional Crisis Centers	0	15,000,000
Corrections		
Correctional Facilities	18,996,000*	-1,267,000
Juvenile Correctional Facilities	115,000,000*	0
Secured Residential Care Centers for Children and Youth	60,000,000	40,000,000
Health Services		
Mental Health Facilities	109,782,900	74,782,900
Historical Society		
Wisconsin History Center	70,000,000	70,000,000
Medical College of Wisconsin		
Medical College of Wisconsin; Cancer Research Facility	15,000,000	10,000,000
Military Affairs		
Armories and Military Facilities	3,606,000	3,606,000
Natural Resources		
SEG Revenue Supported Facilities	$16,844,100	$15,786,900
Public Instruction		
State School, State Center, and Library Facilities	12,388,300	7,388,300
State Fair Park		
Board Facilities	6,000,000	0
Self-amortizing Facilities	1,500,000	1,500,000
University of Wisconsin		
Academic Facilities	506,241,000	471,510,000
Self-Amortizing Facilities	462,217,700	435,866,700
Veterans Affairs		
Veterans Facilities	5,150,300	5,150,300
Self-amortizing Facilities	5,523,700	5,523,700
GRAND TOTAL	$1,995,859,000	$1,508,205,800

*2017 Act 185 authorized $25 million of new borrowing for juvenile correctional facilities. However, the Act included this $25 million of new borrowing in the statutory borrowing authorization for correctional facilities rather than in the statutory borrowing authorization for juvenile correctional facilities. The Governor's recommended capital budget would increase the total borrowing authorization for juvenile correctional facilities by $25 million and would decrease the total borrowing authorization for correctional facilities by $25 million to adjust this funding.

3. MODIFICATIONS TO PRIOR BUILDING PROGRAMS

Governor: Modify prior building programs as follows:

a. **2015-17 Building Program**

(1) Under projects financed by existing general fund supported borrowing, increase the amount authorized for the project identified as "Central Wisconsin Center -- life safety renovations Buildings 1 and 6 -- Madison" under the Department of Health Services from $4,868,000 to $15,040,000, for a total project enumeration of $15,040,000.

(2) Under projects financed by federal funds, increase the amount authorized for the project identified as "Hangar addition -- West Bend" under the Department of Military Affairs from $2,381,000 to $8,350,000. Also, provide $52,000 of general fund supported borrowing in addition to the $390,000 of existing general fund supported borrowing previously authorized, for a total project enumeration of $8,792,000.

b. **2017-19 Building Program**

(1) Under projects financed by general fund supported borrowing, increase the amount for the project identified as "Type 1 juvenile correctional facilities -- statewide" under the Department of Corrections from $25,000,000 to $115,000,000.

(2) Under projects financed by general fund supported borrowing, increase the amount for the project identified as "Expansion of Mendota Juvenile Treatment Center -- Madison" under the Department of Health Services from $15,000,000 to $58,994,000.

(3) Under projects financed by general fund supported borrowing, change the name of the project identified as "Geriatric Correctional Institution -- purchase and renovation of a facility for a geriatric correctional institution" to "Oakhill Correctional Institution -- assisted living addition" under the Department of Corrections.

(4) Under projects financed by segregated fund supported borrowing, change the name of the project identified as "Science Operations Center -- purchase and chronic wasting disease processing center addition -- Monona" to "Science Operations Center -- purchase and chronic wasting disease processing center addition -- statewide" under the Department of Natural Resources.

Joint Finance: Approve the Governor's recommendations for changes to prior building programs with the following modifications:

a. 2015-17 Building Program

(1) In addition to the $4,868,000 of existing general fund supported borrowing, enumerate $10,940,000 of general fund supported borrowing and $1,500,000 of program revenue to the project identified as "Central Wisconsin Center -- life safety renovations Buildings 1 and 6 -- Madison" under the Department of Health Services. Enumerate this project at a total cost of $17,308,000 (replaces item 1 under Governor).

(1) Under projects financed by general fund supported borrowing, decrease the amount for the "Type 1 juvenile correctional facilities -- statewide" project under the Department of Corrections from $25,000,000 to $0 (replaces item 1 under Governor).

(2) Under projects financed by general fund supported borrowing, increase the amount for the "Expansion of the Mendota Juvenile Treatment Center -- Madison" project under the Department of Health Services from $15,000,000 to $43,994,000 (replaces item 2 under Governor).

(3) As an addition to the Governor's items, enumerate "County Secured Residential Care Centers for Children and Youth" under the Department of Corrections and provide general fund supported bonding authority of $80,000,000.

4. WISCONSIN HISTORY MUSEUM

Governor: Specify that the Building Commission may not authorize construction of the Wisconsin History Museum until after the state Historical Society certifies to the Commission that it has raised $30,000,000 in gifts, grants, and other receipts for the project.

Joint Finance: In addition to the Governor's recommendation, require the Historical Society and the Department of Veterans Affairs to jointly submit a report to the Joint Finance Committee concerning improvements to their museum facilities in Madison by June 30, 2021. Require Joint Finance approval for this project before the bonds are issued.

5. NEW MAXIMUM SECURITY CORRECTIONAL FACILITY

Joint Finance: Provide $5,000,000 of general fund supported borrowing for land acquisition, utility extensions, and a request for proposal for a new maximum security correctional facility to replace the Green Bay Correctional Institution. Require that land acquisition would occur no later than December 1, 2020, and that utility extensions would occur no later than October 1, 2021. Require the Building Commission to authorize in its recommendations for the 2021-23 building program a specific amount of additional general fund supported borrowing sufficient to complete construction of the correctional facility enumerated under this item.

6. PLANNING FOR UW SYSTEM FACILITIES

Governor: Allocate $5,000,000 of building trust funds, to develop preliminary plans and specifications for the construction of University of Wisconsin System facilities located in the cities of River Falls, Eau Claire, Milwaukee, Madison, and Whitewater for the projects listed below.

Project	Building Trust Funds
UW-Eau Claire – Science / Health Science Building, Phase II	$1,000,000
UW-Madison – Engineering Building	1,000,000
UW-Milwaukee – Engineering Building / Utility Extensions	1,000,000
UW-River Falls – Science and Technology Innovation Center	1,000,000
UW-Whitewater – Winther Hall Addition and Renovation	1,000,000
Total	$5,000,000

Joint Finance: Allocate $5,500,000 of building trust funds to develop preliminary plans and specifications for the construction of University of Wisconsin System facilities located in the cities of River Falls, Eau Claire, Green Bay, Madison, Milwaukee, Oshkosh, and Whitewater for the projects listed below.

Project	Building Trust Funds
UW-River Falls – Science and Technology Innovation Center	$2,000,000
UW-Eau Claire – Science / Health Science Building, Phase II	1,000,000
UW-Green Bay -- Cofrin Library Renovation	500,000
UW-Madison – Engineering Building	500,000
UW-Milwaukee – Engineering Building / Utility Extensions	500,000
UW-Oshkosh – Clow Hall Phase II	500,000
UW-Whitewater – Winther Hall Addition and Renovation	500,000
Total	$5,500,000

7. PLANNING FOR CORRECTIONS FACILITY

Joint Finance: Allocate $500,000 of building trust funds to develop preliminary plans and specifications for the construction of a new restrictive housing unit at Lincoln Hills School and Copper Lake School.

8. GRANTS FOR LOCAL PROJECTS

Joint Finance: Provide $25,000,000 of general fund supported borrowing for the Building Commission to establish and operate a grant program to assist non-state organizations to carry out construction projects having a public purpose. Specify that each grant may not exceed $5,000,000. Require the Building Commission to determine that the organization carrying out the project has secured additional funding for the project from non-state revenue sources in an amount that is equal to at least 50% of the total cost of the project before considering each grant application. The fiscal effect is shown in the totals under Items #1 and #2.

Specify that Building Commission may not award a grant for a construction project under

this subsection unless the Building Commission first determines that the project is in the public interest and serves one or more public purposes that are statewide responsibilities of statewide dimension. Require the municipality in which the construction project is or will be located to apply to the Building Commission for the grant on behalf of the non-state organization carrying out the construction project.

Specify that if the Building Commission awards a grant under this program, and if, for any reason, the space that is constructed with funds from the grant is not used for one or more public purposes determined by the Building Commission, the state would retain an ownership interest in the constructed space equal to the amount of the state's grant.

Specify that the Building Commission may not award a grant under this program unless DOA has reviewed and approved plans for the construction project associated with the grant, although DOA may not supervise any services or work or let any contract for this project. Further specify that the contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on ancillary arrangements associated with the bonding authorized for projects under this program. Provide that these payments could be made through the bond security and redemption fund appropriation.

9. ALLIANT ENERGY CENTER EXHIBITION HALL EXPANSION

Governor: Enumerate a $77,400,000 project for expansion of the Alliant Energy Center in Dane County under the 2019-21 state building program. Authorize the Building Commission to provide $30,000,000 GPR-supported bonding to assist Dane County in the remodeling and expansion of the exhibition hall of the Alliant Energy Center. The fiscal effect is shown in the totals under Items #1 and #2.

Require that the state funding commitment be in the form of a grant to Dane County. Specify that before approving any state funding commitment for the exhibition hall expansion, the Building Commission would be required to make a determination that Dane County has secured additional funding for the project of at least $47,400,000 from non-state revenue sources. Require that if the Building Commission makes a grant to Dane County for the Alliant Energy Center exhibition hall expansion, the state would retain an ownership interest in the remodeled and expanded space equal to the amount of the state's grant if for any reason the space that is remodeled and expanded is not used for meetings and conventions.

Specify that the Legislature finds and determines that the meetings and conventions industry is of vital importance in creating jobs and contributing to economic development and tourism in this state and are statewide responsibilities of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist Dane County in the remodeling and expansion of the Alliant Energy Center.

Specify that the Building Commission may not make a grant to Dane County for the

remodeling and expansion of the Alliant Energy Center unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further specify that the contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

Joint Finance: Delete provision.

10. EXPERIENCE GREATER GREEN BAY VISITOR EDUCATION CENTER BUILDING

Governor: Enumerate a $7,000,000 project for Experience Greater Green Bay Visitor Education Center Building under the 2019-21 state building program. Authorize the Building Commission to provide $2,000,000 of GPR-supported bonding to assist the Experience Greater Green Bay Corporation and Greater Green Bay Convention & Visitors Bureau, Inc., in the construction of a visitor information and education center in Brown County. The fiscal effect is shown in the totals under Items #1 and #2.

Require that the state funding commitment be in the form of a grant to the Greater Green Bay Convention & Visitors Bureau, Inc. Specify that before approving any state funding commitment for the construction of the visitor information and education center, the Building Commission would be required to make a determination that the Greater Green Bay Convention & Visitors Bureau, Inc., has secured additional funding for the project of at least $5,000,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the Greater Green Bay Convention & Visitors Bureau, Inc., for the construction of a visitor information and education center, the state would retain an ownership interest in the constructed space equal to the amount of the state's grant if, for any reason, the space that is constructed with the state grant funds is not used as a visitor information and education center.

Specify that the Legislature finds and determines that the tourism industry is of vital importance in creating jobs and contributing to economic development and tourism in this state and is a statewide responsibility of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist the Experience Greater Green Bay Corporation and Greater Green Bay Convention & Visitors Bureau, Inc., in the construction of a visitor information and education center in Brown County.

Specify that the Building Commission may not make a grant to the Greater Green Bay Convention & Visitors Bureau, Inc., for the construction of the visitor information and education center unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further specify that the contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

Joint Finance: Delete provision.

11. MEDICAL COLLEGE OF WISCONSIN CANCER RESEARCH FACILITY

Governor: Enumerate a $100,000,000 project for the Medical College of Wisconsin Cancer Research Facility under the 2019-21 state building program. Authorize the Building Commission to provide $15,000,000 GPR-supported bonding to assist the Medical College of Wisconsin, Inc. (MCW), in the construction of a cancer research facility in Milwaukee County. The fiscal effect is shown in the totals under Items #1 and #2.

Require that the state funding commitment be in the form of a grant to MCW. Specify that before approving any state funding commitment for construction of the cancer research facility, the Building Commission would be required to make a determination that MCW has secured additional funding for the project of at least $85,000,000 from non-state revenue sources. Require that if the Building Commission makes a grant to MCW for construction of the cancer research facility, the state would retain an ownership interest in the constructed space equal to the amount of the state's grant, if for any reason, the facility is not used for cancer research.

Specify that the Legislature finds and determines that cancer is the leading cause of death of the citizens of this state and that research into the causes, prevention, and cures of cancer is of vital importance to the health and well-being of all citizens of this state and is a statewide responsibility of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist MCW in the construction of a cancer research facility in Milwaukee County.

Specify that the Building Commission may not make a grant to MCW for the construction of the cancer research facility unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further specify that the contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

Joint Finance: Modify the Governor's recommendation by increasing an existing MCW bonding authorization to provide $10,000,000 of general fund supported borrowing to assist MCW in the construction of a cancer research facility with a matching requirement of $90,000,000 from non-state revenue sources. Enumerate this project at a total cost of $100,000,000. Debt service on this bonding would be paid from an existing MCW GPR debt service appropriation.

12. INCOURAGE COMMUNITY FOUNDATION TRIBUNE ECONOMIC AND COMMUNITY HUB

Governor: Enumerate a $15,000,000 project for the Incourage Community Foundation Tribune Economic and Community Hub under the 2019-21 state building program. Authorize the Building Commission to provide $3,000,000 of GPR-supported bonding to assist the Incourage Community Foundation, Inc., in the remodeling of the former Daily Tribune building in the city of Wisconsin Rapids into an economic and community hub. The fiscal effect is shown in the totals under Items #1 and #2.

Require that the state funding commitment be in the form of a grant to the Incourage Community Foundation, Inc. Specify that before approving any state funding commitment for the remodeling of the former Daily Tribune Building, the Building Commission would be required to make a determination that the that the Incourage Community Foundation, Inc., has secured additional funding for the project of at least $12,000,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the Incourage Community Foundation, Inc., for the remodeling of the former Daily Tribune Building into an economic and community hub, the state would retain an ownership interest in the remodeled space equal to the amount of the state's grant if, for any reason, the remodeled space is not used for an economic and community hub.

Specify that the Legislature finds and determines that supporting entrepreneurs and artisans, providing facilities for job training, and promoting dynamic community revitalization and development are of vital importance in creating jobs and contributing to economic development and tourism in this state and are statewide responsibilities of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist the Incourage Community Foundation, Inc., in the remodeling of the former Daily Tribune building in the city of Wisconsin Rapids into an economic and community hub.

Specify that the Building Commission may not make a grant to the Incourage Community Foundation, Inc., for the remodeling of the former Daily Tribune building in the city of Wisconsin Rapids into an economic and community hub unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further specify that the contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

Joint Finance: Delete provision.

13. NORTHERN WISCONSIN REGIONAL CRISIS CENTER

Joint Finance: Provide $15,000,000 of general fund supported borrowing for a grant to be awarded to a nonstate organization for the establishment of a northern Wisconsin regional crisis

center. The fiscal effect is shown in the totals under Items #1 and #2.

Require the Building Commission to determine that the project is in the public interest and serves one or more statewide public purposes that are statewide responsibilities of statewide dimension before awarding a grant. Specify that if the Building Commission awards a grant under this program, and if, for any reason, the constructed space is not used for one or more of these public purposes determined by the Building Commission, the state would retain an ownership interest in the constructed space equal to the amount of the state's grant. Require the Joint Finance Committee to approve bond issues for this project.

Specify that the Building Commission may not make a grant for the establishment of a northern Wisconsin regional crisis center unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contract for the project. Further, specify that the contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on ancillary arrangements associated with the bonding authorized for this project. Provide that these payments could be made through the bond security and redemption fund appropriation.

14. STATEMENT OF BUILDING PROGRAM CONTINUATION

Governor/Joint Finance: Continue the building and financing authority enumerated under previous building programs into the 2019-21 biennium. Each building program is approved only for the current biennium; this provision would continue past state building programs into the 2019-21 biennium.

15. PROJECT LOANS

Governor/Joint Finance: Authorize the Building Commission, during the 2019-21 biennium, to make loans from general fund-supported borrowing or the building trust fund to state agencies for any 2019-21 building program projects funded from non-GPR sources.

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$1,990,000	$1,990,000	$1,990,000	$0	0.0%	$0	0.0%
FED	1,302,400	1,316,800	1,316,800	0	0.0	14,400	1.1
PR	3,033,200	3,107,200	3,107,200	0	0.0	74,000	2.4
SEG	30,000	30,000	30,000	0	0.0	0	0.0
TOTAL	$6,355,600	$6,444,000	$6,444,000	$0	0.0%	$88,400	1.4%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
FED	1.00	1.00	1.00	0.00	0.00
PR	5.00	6.00	6.00	0.00	1.00
TOTAL	6.00	7.00	7.00	0.00	1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

FED	$14,400
PR	74,000
Total	$88,400

Governor/Joint Finance: Provide adjustments to the base budget for: (a) full funding of continuing position salaries and fringe benefits ($7,200 FED and $35,900 PR annually); and (b) full funding of lease and directed moves costs ($1,100 PR annually).

2. SHAKEN BABY SYNDROME/ABUSIVE HEAD TRAUMA

	Position
PR	1.00

Governor/Joint Finance: Provide $100,000 and 1.0 position, beginning in 2019-20, to implement, on a statewide basis, a program to educate new parents on infant crying as a means of preventing shaken baby syndrome/abusive head trauma. Under the program, Period of Purple Crying, new parents receive a DVD or application software and printed materials related to infant crying and coping strategies, and,

during a post-birth clinic visit or home visit, professional staff to reinforce these coping strategies through the use of flipcharts. This program, which is offered in some, but not all, areas of the state, is supported by federal community-based child abuse prevention grants.

In order to fund this initiative, reduce funding the agency distributes as grants, supported by birth certificate fee revenue, by $100,000 annually, from $850,000 to $750,000. Funding would no longer be budgeted for grants the agency provides under the community response program.

CHILDREN AND FAMILIES

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$929,287,800	$956,554,000	$954,415,800	- $2,138,200	- 0.2%	$25,128,000	2.7%
FED	1,445,287,800	1,611,481,600	1,540,989,800	- 70,491,800	- 4.4	95,702,000	6.6
PR	224,407,800	244,065,900	244,065,900	0	0.0	19,658,100	8.8
SEG	18,549,400	18,549,400	18,549,400	0	0.0	0	0.0
TOTAL	$2,617,532,800	$2,830,650,900	$2,758,020,900	- $72,630,000	- 2.6%	$140,488,100	5.4%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	231.92	232.92	232.92	0.00	1.00
FED	379.93	375.73	375.73	0.00	- 4.20
PR	174.31	179.51	179.51	0.00	5.20
SEG	0.00	0.00	0.00	0.00	0.00
TOTAL	786.16	788.16	788.16	0.00	2.00

Budget Change Items

Economic Support and TANF-Funded Programs

1. OVERVIEW OF TANF-RELATED REVENUES AND EXPENDITURES

Governor: This item presents a summary of the administration's estimates of revenue that would be available to fund economic support and TANF-funded programs in the 2019-21 biennium, and how funding for these programs would be budgeted under the bill. The items that would be modified by the bill are summarized in the entries in this section according to the item number listed in the right-hand column of the table. "TANF" refers to the federal temporary assistance for needy families program.

Revenues. The administration estimates total revenues for TANF-related programs at $614.8

million in 2019-20 and $618.8 million in 2020-21. State funding would include $174.3 million ($160.4 million GPR, $4.8 million PR, and $9.1 million SEG) annually. The program revenue includes the state's share of AFDC overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, and child care licensing fees. The segregated revenue is from the utility public benefits fund.

Ongoing federal funding is estimated at $440.6 million in 2019-20 and $444.5 million in 2020-21. Federal funds include monies from the TANF block grant, the child care development block grant, and recoveries of overpayments to Wisconsin Works (W-2) recipients. The carryover of all funding sources from the 2018-19 ending TANF balance is estimated at $275.5 million.

The largest change in revenue comes from anticipated funding under the child care development fund. The federal Consolidated Appropriations Act of 2018 increased federal discretionary funding under the CCDBG by 82%, beginning in federal fiscal year 2017-18.

Congress has extended the TANF program until June 30, 2019, maintaining funding at the previous year's level. The budget bill reflects the administration's assumption that the federal TANF program would continue at the same funding levels through the 2019-21 biennial budget.

*Expenditures***.** Under the bill, the total amount that would be budgeted for TANF-related programs would be $728.2 million in 2019-20 and $743.5 million in 2020-21. These amounts include all funds, and represent an increase from the base budget of $71.0 million in 2019-20 and an increase of $86.3 million in 2020-21. The changes in funding represent reestimates, and changes in the amounts that would be budgeted for some current programs, and decreased funding for other programs. Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2019-21 biennium would be $37.5 million, which could be carried over into the 2021-23 biennium. However, it is estimated that ongoing expenditures would exceed ongoing revenue by approximately $124.7 million in 2020-21.

W-2 and TANF Related Revenue and Expenditures
Governor's Recommendations

	2019-20	2020-21	Change Over Base 2019-20	Change Over Base 2020-21	Item
Carryover from Previous Year	$275,538,200	$162,189,100			
Revenues					
State General Purpose Revenue (GPR)	$160,373,800	$160,381,400	$0	$7,600	31
TANF Block Grant (FED)	308,124,300	312,059,600	-690,600	3,244,700	
Child Care Development Fund (FED)	128,174,600	128,174,600	33,246,000	33,246,000	
TANF and CCDF Recoveries (FED)	4,287,600	4,287,600	0	0	
Child Support Collections (PR)	2,703,900	2,749,000	68,100	113,200	31
Child Care Licensing Fees (PR)	1,750,000	1,750,000	73,300	73,300	31
AFDC Recoveries, State Share (PR)	160,600	160,600	0	0	
SSBG from DHS (PR)	100,000	100,000	0	0	
Utility Public Benefits Funding (SEG)	9,139,700	9,139,700	0	0	
Total Revenues	$614,814,500	$618,802,500	$32,696,800	$36,684,800	
Total Available (Including Carryover)	$890,352,700	$780,991,600	$32,696,800	$36,684,800	
Expenditures					
Wisconsin Works					
Subsidized Employment Benefits	$41,156,900	$41,157,200	-$3,468,100	-$3,467,800	2 - 8
Worker Supplement	2,700,000	2,700,000	0	0	
Service Contracts	51,528,300	51,528,300	-3,071,700	-3,071,700	9
Other TANF Employment Programs					
Transform Milwaukee/Transitional Jobs	8,000,000	9,000,000	0	1,000,000	11
Child Support Related to W-2					
Children First	2,280,000	2,280,000	1,140,000	1,140,000	13
Child Care					
Direct Child Care Subsidies	367,968,000	376,852,600	49,598,800	58,483,400	8, 14 - 17
Child Care State Administration	39,722,100	40,215,200	2,892,700	3,385,800	18
Quality Care for Quality Kids	16,532,700	16,683,700	880,000	1,031,000	17, 19
Other Benefits					
Kinship Care Benefits	26,847,200	28,448,100	4,106,000	5,706,900	20
SSI Caretaker Supplement	25,013,300	25,013,300	-1,924,700	-1,924,700	21
Emergency Assistance	6,000,000	6,000,000	-1,000,000	-1,000,000	22
Administrative Support					
State Administration	16,461,200	16,608,300	319,000	466,100	23
Local Fraud Aids	605,500	605,500	0	0	
Grant Programs					
Grants to Boys and Girls Clubs of America	2,675,000	2,675,000	1,400,000	1,400,000	24
Wisconsin Community Services	425,000	425,000	25,000	25,000	25
Fostering Futures - Connections Count	560,300	560,300	0	0	
GED Testing	115,000	115,000	0	0	
Adult Literacy	41,600	41,600	0	0	
Legal Services	500,000	500,000	0	0	
Homeless Case Management Grants	1,000,000	1,000,000	500,000	500,000	26
Families and Schools Together	250,000	250,000	0	0	
Offender Reentry	825,000	825,000	575,000	575,000	27
Substance Abuse Prevention	500,000	500,000	0	0	
Child Abuse Prevention Grant	500,000	500,000	0	0	
Expenditures in Other Programs					
Earned Income Tax Credit	85,700,000	86,700,000	16,000,000	17,000,000	28
SSBG Transfer to DHS/Community Aids	14,653,500	14,653,500	0	0	
Child Welfare Safety Services	9,300,900	10,191,900	1,986,600	2,877,600	29
Child Welfare Prevention Services	6,302,100	7,464,600	1,012,500	2,175,000	30
Total Expenditures	$728,163,600	$743,494,100	$70,971,100	$86,301,600	
TANF Year-End Balance	$162,189,100	$37,497,500			

Joint Finance: The following table shows the economic support and TANF-related revenue estimates and expenditure changes made by the Joint Committee on Finance.

As shown in the following table, total available revenues are estimated at $917.5 million in 2019-20 and $847.6 million in 2020-21. Compared to the Governor's proposal, this represents an increase in the estimated carryover of funding from 2018-19 of $28.5 million in 2019-20 and $39.4 million in 2020-21 (the carryover into 2020-21 is already accounted for in 2019-20). Further, this represents a decrease in federal CCDF revenue of $1.3 million in each year of the biennium.

Ongoing federal funding is estimated at $439.3 million in 2019-20 and $443.2 million in 2020-21. Federal funds include monies from the TANF block grant, the child care development block grant, and recoveries of overpayments to Wisconsin Works (W-2) recipients. The carryover of all funding sources from the 2018-19 ending TANF balance is estimated at $304.0 million.

Under the Joint Finance recommendations, overall expenditures would be $687.5 million in 2019-20 and $703.4 million in 2020-21. These amounts include all funds, and represent an increase from the base budget of $40.7 million in 2019-20 and an increase of $40.1 million in 2020-21. The changes in funding represent reestimates, and changes in the amounts that would be budgeted for some current programs, and decreased funding for other programs.

Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2019-21 biennium would be $144.2 million, which could be carried over into the 2021-23 biennium. However, it is estimated that ongoing expenditures would exceed ongoing revenue by approximately $85.9 million in 2020-21.

W-2 and TANF Related Revenue and Expenditures
Comparison of Governor's Recommendations and Joint Finance

	Governor		Joint Finance		Joint Finance Change to Governor		
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	Item
Carryover from Previous Year	$275,538,200	$162,189,100	$303,984,700	$230,042,000	$28,446,500	$67,852,900	
Revenues							
GPR -- State General Purpose Revenue	$160,373,800	$160,381,400	$160,373,800	$160,381,400	$0	$0	31
FED -- TANF Block Grant	308,124,300	312,059,600	308,124,300	312,059,600	0	0	
FED -- Child Care Development Fund	128,174,600	128,174,600	126,889,000	126,889,000	-1,285,600	-1,285,600	
FED -- TANF and CCDF Recoveries	4,287,600	4,287,600	4,287,600	4,287,600	0	0	
Subtotal	$440,586,500	$444,521,800	$439,300,900	$443,236,200	-$1,285,600	-$1,285,600	
PR -- Child Support Collections	2,703,900	2,749,000	2,703,900	2,749,000	0	0	31
PR -- Child Care Licensing Fees	1,750,000	1,750,000	1,750,000	1,750,000	0	0	31
PR -- Recoveries (State Share)	160,600	160,600	160,600	160,600	0	0	
PR -- Social Security Block Grant (from DHS)	100,000	100,000	100,000	100,000	0	0	
Subtotal	$4,714,500	$4,759,600	$4,714,500	$4,759,600	$0	$0	
SEG -- Utility Public Benefits Fund	9,139,700	9,139,700	9,139,700	9,139,700	0	0	
Total Revenues -- All Sources	$614,814,500	$618,802,500	$613,528,900	$617,516,900	-$1,285,600	-$1,285,600	
Total Available (including Carryover Funds)	$890,352,700	$780,991,600	$917,513,600	$847,558,900	$27,160,900	$66,567,300	
Expenditures							
Wisconsin Works							
Subsidized Employment Benefits	$41,156,900	$41,157,200	$31,110,000	$31,732,200	-$10,046,900	-$9,425,000	2 - 8
Worker Supplement	2,700,000	2,700,000	2,700,000	2,700,000	0	0	
Service Contracts	51,528,300	51,528,300	50,000,000	50,000,000	-1,528,300	-1,528,300	9
Subtotal	$95,385,200	$95,385,500	$83,810,000	$84,432,200	-$11,575,200	-$10,953,300	
Other TANF Employment Programs							
Transform Milwaukee/Transitional Jobs	$8,000,000	$9,000,000	$8,500,000	$9,500,000	$500,000	$500,000	11
Child Support Related to W-2							
Children First	$2,280,000	$2,280,000	$1,140,000	$1,140,000	-$1,140,000	-$1,140,000	13
Child Care							
Direct Child Care Subsidies	$367,968,000	$376,852,600	$357,097,500	$365,700,400	-$10,870,500	-$11,152,200	8, 14 - 17
Child Care State Administration	39,722,100	40,215,200	40,152,100	41,555,200	430,000	1,340,000	18
Quality Care for Quality Kids	16,532,700	16,683,700	16,532,700	16,683,700	0	0	17, 19
Subtotal	$424,222,800	$433,751,500	$413,782,300	$423,939,300	-$10,440,500	-$9,812,200	
Other Benefits							
Kinship Care Benefits	$26,847,200	$28,448,100	$26,640,000	$28,159,200	-$207,200	-$288,900	20
SSI Caretaker Supplement	25,013,300	25,013,300	25,013,300	25,013,300	0	0	21
Emergency Assistance	6,000,000	6,000,000	6,000,000	6,000,000	0	0	22
Subtotal	$57,860,500	$59,461,400	$57,653,300	$59,172,500	-$207,200	-$288,900	
Administrative Support							
State Administration	$16,461,200	$16,608,300	$16,671,200	$17,268,300	$210,000	$660,000	23
Local Fraud Aids	605,500	605,500	605,500	605,500	0	0	
Subtotal	$17,066,700	$17,213,800	$17,276,700	$17,873,800	$210,000	$660,000	

	Governor		Joint Finance		Joint Finance Change to Governor		
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	Item
Grant Programs							
Grants to Boys and Girls Clubs of America	$2,675,000	$2,675,000	$2,675,000	$2,675,000	$0	$0	24
Wisconsin Community Services	425,000	425,000	400,000	400,000	-25,000	-25,000	25
Fostering Futures - Connections Count	560,300	560,300	560,300	560,300	0	0	
GED Testing	115,000	115,000	175,000	175,000	60,000	60,000	35
Adult Literacy	41,600	41,600	41,600	41,600	0	0	
Legal Services	500,000	500,000	500,000	500,000	0	0	
Homeless Case Management	1,000,000	1,000,000	500,000	500,000	-500,000	-500,000	26
Homeless Case Management Addition	0	0	500,000	500,000	500,000	500,000	26
Families and Schools Together	250,000	250,000	250,000	250,000	0	0	
Offender Reentry	825,000	825,000	250,000	250,000	-575,000	-575,000	27
Substance Abuse Prevention	500,000	500,000	500,000	500,000	0	0	
Child Abuse Prevention	500,000	500,000	500,000	500,000	0	0	
Subtotal	$7,391,900	$7,391,900	$6,851,900	$6,851,900	-$540,000	-$540,000	
Expenditures in Other Programs							
Earned Income Tax Credit	$85,700,000	$86,700,000	$69,700,000	$69,700,000	-$16,000,000	-$17,000,000	28
SSBG Transfer to DHS/Community Aids	14,653,500	14,653,500	14,653,500	14,653,500	0	0	
Child Welfare Safety Services	9,300,900	10,191,900	8,314,300	9,314,300	-986,600	-877,600	29
Child Welfare Prevention Services	6,302,100	7,464,600	5,789,600	6,789,600	-512,500	-675,000	30
Subtotal	$115,956,500	$119,010,000	$98,457,400	$100,457,400	-$17,499,100	-$18,552,600	
Total Expenditures	$728,163,600	$743,494,100	$687,471,600	$703,367,100	-$40,692,000	-$40,127,000	
TANF Year-End Balance	$162,189,100	$37,497,500	$230,042,000	$144,191,800	$67,852,900	$144,191,800	

2. WISCONSIN WORKS SUBSIDIZED EMPLOYMENT BENEFITS [LFB Paper 185]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- $18,290,300	- $8,117,500	- $26,407,800

Governor: Reduce funding for W-2 subsidized employment benefits by $9,145,300 in 2019-20 and by $9,145,000 in 2020-21, so that $41,156,900 in 2019-20 and $41,157,200 in 2020-21 would be budgeted for W-2 subsidized employment benefits.

W-2 is a work-based program that provides training, support services, and cash assistance to eligible families. Participants in W-2 are assigned by the local W-2 agency to either unsubsidized employment or one of three types of subsidized employment: (a) trial employment match program (TEMP) jobs; (b) community service jobs (CSJs); and (c) transitional placements. W-2 benefit payments increased significantly during the 2008-2009 recession and decreased substantially after 2014. Because program spending has continued to decrease during the last several years, the current base funding levels do not accurately reflect anticipated caseloads and benefit payments for the 2019-21 biennium. The administration indicates that the decrease in funding would reflect the cost to continue W-2 benefits at anticipated caseloads.

Joint Finance: Reduce funding by an additional $4,369,700 in 2019-20 and $3,747,800 in 2020-21 to reflect reestimates of W-2 subsidized employment benefits. Under Joint Finance, a total of $31,110,000 in 2019-20 and $31,732,200 in 2020-21 would be budgeted for W-2

subsidized employment benefits.

3. WISCONSIN WORKS LIFETIME LIMIT ON PARTICIPATION

Governor: Increase the lifetime limit for participating in W-2 jobs and job access loans from 48 months to 60 months, effective for all W-2 participants on the effective date of the bill. DCF has not yet promulgated rules to implement the 48-month limit and indicates that the administration's W-2 benefits funding estimate reflects caseload trends that do not account for the implementation of the 48-month lifetime limit. Consequently, any increase in the cost of extending the lifetime limit is effectively funded under the W-2 benefits reestimate.

Under federal law, an adult in a W-2 group may receive TANF assistance for up to 60 months. Pursuant to 2015 Act 55, in order to be eligible for W-2 employment positions and job access loans under state law the total number of months in which the individual (or any adult member of the individual's family) has participated in or received benefits under certain W-2 programs may not exceed 48 months. Except for limited exceptions, all months in which individuals participate in the following programs accrue against the lifetime limit: (a) W-2 employment positions; (b) the job opportunities and basic skills (JOBS) program under prior law beginning on October 1, 1996; and (c) any program in Wisconsin or any other state in which benefits were funded by federal TANF dollars. The 48-month time limit may be extended if the W-2 agency, subject to DCF review, determines that the individual is experiencing hardship or that the person's family includes someone who has been battered or subjected to extreme cruelty.

Joint Finance: Delete provision.

4. W-2 EDUCATION AND TRAINING LIMITS

Governor: Repeal limits on education and training activities in a CSJ or transitional placement.

Under current law, a CSJ placement may include education and training assigned as part of an employability plan developed by the W-2 agency. Such educational and training activities are defined by DCF by rule and include a course of study for GED or high school equivalency, technical college courses, and educational courses that provide an employment skill. The W-2 agency may determine an appropriate number of work hours for a participant at the time of application or review. However, the W-2 agency may not require a participant to spend more than 40 hours per week in combined work and educational activities, with a maximum limit of 10 hours per week in educational and training activities. Transitional placements may likewise include an educational component, however, education and training is limited to no more than 12 hours per week. CSJ and transitional placements may include participation in a technical college program for a maximum of two years. In addition to participating in post-secondary educational activities, participants must be employed or engage in work under a CSJ or transitional placement for 25 hours per week.

The bill would repeal the ten- and twelve-hour per week limits on participating in

educational and training activities in a CSJ or transitional placement. The overall 40-hour per week limit would still apply on the combined amount of work activities and education and training activities.

Further, the bill would repeal the requirement that a participant engage in 25 hours per week of employment or work in a CSJ or transitional placement in order to participate in the technical college/post-secondary education program.

Joint Finance: Delete provision.

5. LIMITS ON PARTICIPATION IN W-2 PLACEMENTS

Governor: Repeal the 24-month limit for individuals to participate in TEMP, CSJ, and transitional W-2 placements. The administration's cost-to-continue funding estimate reflects caseload trends that do not account for individuals losing eligibility for these programs due to the current 24-month limit. Consequently, any increase in W-2 costs due to extending eligibility for these placements is effectively funded under the W-2 benefits item.

Joint Finance: Delete provision.

6. W-2 TEMPORARY EMPLOYMENT MATCH PROGRAM

Governor: Modify the maximum weekly number of work hours an individual may work under the temporary employment match program (TEMP), from 40 under current law, to the number of hours negotiated between the W-2 agency and the employer.

In addition, replace statutory references to TEMP with "subsidized employment placement," and repeal references to the trial jobs program, which was replaced by the temporary employment match program in 2013 Act 20.

Joint Finance: Delete provision.

7. W-2 INTERNET SERVICE PROVIDER SUBSCRIPTIONS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$10,600,000	- $10,600,000	$0

Governor: Provide $5,300,000 annually and create a new benefit under the W-2 program that would allow persons who meet the W-2 program's nonfinancial and financial eligibility requirements to apply to DCF for a monthly amount sufficient to pay the cost of an Internet service provider (ISP) subscription or $57, whichever is lower. Require all applications to include documentation of the ISP and the monthly cost of the subscription. Provide that, if DCF determines that an applicant is eligible, DCF would be required to coordinate with a W-2 agency to make payments on behalf of the person to the appropriate ISP. DCF would be authorized to promulgate

emergency rules to implement the W-2 ISP subscription program without the finding of an emergency.

Joint Finance: Delete provision.

8. W-2 CARETAKER OF INFANT TIME LIMIT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$422,800	- $422,800	$0

Governor: Increase funding for W-2 benefits by $377,200 annually to fund costs of extending W-2 benefits by four weeks for custodial parents of infants. Under current law, an individual who meets the nonfinancial and financial eligibility requirements for a W-2 employment position and who is a custodial parent of a child who is eight weeks old or younger is eligible to receive a monthly grant of $673. The bill would alter the eligibility requirements so that a custodial parent of a child who is twelve weeks old or younger could receive the grant.

Expanding the placement for caretakers of infants also has the estimated effect of decreasing costs in the Wisconsin Shares child care subsidy program by $165,800 annually, due to the anticipated decrease in child care use by parents with infants. [See Item #14]

Joint Finance: Delete provision.

9. WISCONSIN WORKS SERVICE CONTRACTS [LFB Paper 185]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- $6,143,400	- $3,056,600	- $9,200,000

Governor: Reduce funding for W-2 contracts by $3,071,700 annually to reflect estimates of funding that will be needed to support service contracts in the 2019-21 biennium, based on current law. The W-2 contracts fund the costs of subsidized employment placements, work support services, education and training, and agency administration.

Joint Finance: Reduce funding by an additional $1,528,300 annually to reflect reestimates of vendor contract costs so that $50,000,000 annually would be budgeted to fund payments to W-2 vendors in the 2019-21 biennium.

10. CONTROLLED SUBSTANCE SCREENING, TESTING, AND TREATMENT ELIGIBILITY REQUIREMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $500,000	$500,000	$0

Governor: Repeal controlled substance screening, testing, and treatment as a condition of eligibility for W-2 placements and other work experience programs. Reduce funding by $250,000 annually by repealing an appropriation that is intended to fund drug testing and treatment costs.

2015 Act 55 established substance abuse screening, testing, and treatment as an eligibility requirement for three work experience programs administered by DCF: (a) W-2 services for non-custodial parents, including the W-2 trial employment and match program (TEMP) and stipends; (b) the Transform Milwaukee and Transitional Jobs programs; and (c) Children First. Under current law, all new participants in these programs are required to be screened for the abuse of a controlled substance, by answering a questionnaire or another method specified by rule. Based on the answers to the questionnaire, if DCF (or the agency with which DCF has contracted to administer a work program) determines that there is a reasonable suspicion that a participant who is otherwise eligible for a work program is abusing a controlled substance, the participant must undergo a test for the use of a controlled substance in order to remain eligible. If the test is negative for the use of a controlled substance, the applicant remains eligible to participate in the work programs. If the applicant refuses to submit to a test, the applicant is not eligible until the applicant complies with the requirement to undergo a test for the use of a controlled substance. If the test is positive for use of a controlled substance without a valid prescription, then the applicant must participate in substance abuse treatment to remain eligible. While undergoing treatment, a participant must submit to random testing for the use of a controlled substance, and the test results must be negative, or positive with evidence of a valid prescription, in order for the participant to remain eligible. If any test results are positive and the participant does not have a valid prescription, the participant can restart treatment once and remain eligible, as long as all subsequent test results are negative or positive with a valid prescription. An additional failed test results in the participant becoming ineligible for 12 months.

DCF is required to pay all costs of substance abuse treatment not otherwise covered by medical assistance, private insurance, or another type of coverage. DCF is provided base funding of $250,000 GPR to fund drug screening, testing, and treatment costs.

Pursuant to 2017 Act 59, the drug abuse screening, testing, and treatment requirements also apply to TEMP, community service job (CSJ), and transitional placements for custodial parents. Such requirements apply to all adult members of an applicant's W-2 group whose income or assets are included in determining the individual's eligibility for W-2 employment position. As a result, an individual is not eligible for a W-2 employment position unless that individual and all adult group members satisfy the screening, testing, and treatment eligibility requirements.

The screening and testing eligibility requirements do not apply if an individual is: (a) a custodial parent of a child younger than eight weeks old; (b) a woman who is in a pregnancy that

is medically verified and that is shown by medical documentation to be at risk; (c) a participant in a W-2 employment position who moves to unsubsidized employment and receives case management services; or (d) a dependent child. Unlike the requirements for work experience programs under Act 55, if an applicant for a W-2 employment position, or any of the applicant's group members fails to satisfy the screening, testing, or treatment eligibility requirements, the applicant remains partially eligible for monthly grants under a CSJ or transitional placement. The applicant remains partially eligible for twelve months or, if earlier, the date on which the applicant becomes eligible for full participation in a W-2 employment position (such as by complying with controlled substance screening, testing, and treatment eligibility requirements). DCF is required to pay the monthly grant to a protective payee. The protective payee must hold the money and use it exclusively for the benefit of the applicant's dependent children. DCF reduces the amount to reflect that the monthly grant is to be used exclusively for the dependent children.

The bill would repeal the substance abuse screening, testing, and treatment provisions enacted in Act 55 and Act 59. As a result, substance abuse screening, testing, and treatment would no longer be eligibility requirements for W-2 placements and other work experience programs.

Joint Finance: Delete provision.

11. TRANSFORM MILWAUKEE AND TRANSITIONAL JOBS [LFB Paper 186]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$1,000,000	$1,000,000	$2,000,000

Governor: Increase funding for the Transform Milwaukee and Transitional Jobs Programs by $1,000,000 in 2020-21 to expand the program to four additional rural counties. Under the bill, the total funding that would be budgeted for these programs would be $8,000,000 in 2019-20 and $9,000,000 in 2020-21.

The program offers subsidized work to low-income individuals by reimbursing employers for costs of employing program participants. The Transitional Jobs program currently operates in the following geographic regions: (a) the Urban Southwest Region (Beloit); (b) the Rural Northeast Region (Forest, Langlade, Menominee, and Florence counties); (c) the Rural Central Region (Adams, Clark, Jackson, and Juneau counties), (d) the Urban Southeast Region (Racine County); and (e) the Rural Northwest Region (Ashland, Bayfield, Iron, Sawyer, Rusk, and Taylor counties).

Joint Finance: Provide $500,000 FED (TANF) annually to fund the estimated costs of increasing, from 24 years to 25 years, the maximum age for childless adults to participate in the Transform Milwaukee and Transitional Jobs programs.

12. TRANSFORM MILWAUKEE JOBS FOR CHILDLESS ADULTS [LFB Paper 186]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 GPR annually to create the childless adults placement in the Transform Milwaukee program.

Under current law, the transform Milwaukee program offers training and subsidized work to low-income individuals in the City of Milwaukee for up to 1,040 hours (six months, full-time) and provides employers with a wage subsidy to offset the hiring costs. In contrast with W-2, childless individuals may qualify for the Transform Milwaukee program under certain conditions, and the income eligibility limit is higher (150% of the federal poverty level). Transform Milwaukee has two target populations: the general public and the former out-of-home care population. To be eligible to participate in the program, an individual must: (a) be at least 18 years of age; (b) if older than 24 years of age, be a parent of a child under age 18 or be a relative and primary caregiver of a child under age 18; (c) have an annual household income below 150% of the FPL; (d) be unemployed for at least four weeks; (e) be ineligible to receive unemployment insurance benefits; (f) not be participating in a W-2 employment position; and (g) satisfy drug abuse screening, testing, and treatment requirements. Furthermore, pursuant to the transform Milwaukee policy manual, members of the general public that meet the eligibility requirements listed above must either be a young childless adult between 18 to 24 years of age, or a parent with a child support order, a reunification plan, or an ex-offender. However, these additional requirements do not apply to individuals between 18 to 24 years of age who were in out-of-home care at or after age 16.

The bill would establish a new childless adult placement for those over 24 years of age. The bill would provide GPR funding, rather than TANF, in order to remove the eligibility requirement to be a biological or adoptive parent (or be a relative and primary caregiver of a child) under 18 years of age.

Subsequent to the enactment of the transform Milwaukee program, 2013 Act 113 authorized DCF to establish a similar transitional jobs program in areas outside Milwaukee, to the extent funding is available. The bill would not extend the proposed childless adult placement under the transitional jobs program.

Joint Finance: Delete provision.

13. CHILDREN FIRST [LFB Paper 187]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$2,280,000	- $2,280,000	$0

Governor: Provide $1,140,000 annually to increase funding for the Children First program. Under the program, noncustodial parents who fail to pay child support due to their being unemployed or underemployed may be ordered by a court to participate in a work experience or job training program. A participant completes the Children First program by completing 16 weeks of participation or by making timely child support payments in full for three consecutive months. In 2018-19, $1,140,000 is budgeted for the program.

Pursuant to 1999 Act 9, current law provides that counties, tribes, and W-2 agencies operating the Children First program may receive up to $400 per participant per month to provide work experience and job training services. DCF indicates that the failure to increase funding for the program, including the maximum limit on monthly program costs, since the program's creation has caused counties to cease participating in the program.

The funding in the bill is intended to increase the maximum per-slot payment from $400 to $800 per month. However, the bill would need to be amended to reflect the Governor's intent.

Joint Finance: Delete provision. Instead, increase from $400 to $800 the maximum annual per capita reimbursement rate for the program.

14. WISCONSIN SHARES CHILD CARE SUBSIDY PROGRAM -- COST TO CONTINUE [LFB Paper 188]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$58,153,400	$1,871,400	$60,024,800

Governor: Provide $24,951,800 in 2019-20 and $33,201,600 in 2020-21 to fund costs to continue direct child care services under the Wisconsin Shares child care subsidy program. Federal funding to support Wisconsin Shares is available under the federal TANF block grant and the Child Care Development Fund (CCDF), which is comprised of funding the state receives under the federal Social Security Act and the Child Care and Development Block Grant (CCDBG).

Wisconsin Shares provides child care assistance for low-income families to enable them to work or prepare for employment through W-2, or through a combination of work and education or training programs. Under the program, the state subsidizes the cost of child care charged by providers chosen by the parent. DCF uses market surveys to establish the maximum reimbursement amount Wisconsin Shares will pay for child care. Families must pay a portion of this amount (the copay), which depends on income, family size, and the number of children in care.

The following table summarizes the funding that would be budgeted for direct child care subsidies under Wisconsin Shares, including additional items proposed by the Governor.

Wisconsin Shares Child Care Subsidy Program - Cost to Continue
Governor's Budget Recommendations

		2019-20		2020-21	
	Base	Change to Base	Total	Change to Base	Total
This Item					
(a) Base Subsidies	$256,214,600	-$10,603,900	$245,610,700	-$8,147,800	$248,066,800
(b) YoungStar Adjustment	13,881,600	6,104,500	19,986,100	6,603,900	20,485,500
(c) CCDBG 12-Month Eligibility	14,100,000	-632,000	13,468,000	-671,300	13,428,700
(d) CCDBG Pre-Termination Grace Period	6,200,000	0	6,200,000	0	6,200,000
(e) CCDBG Health and Safety	1,118,000	-855,900	262,100	-855,900	262,100
(f) 2017 Act 236 Rate Increase	8,000,000	8,000,000	16,000,000	8,000,000	16,000,000
(g) Mitigating Benefit Drop-off	4,000,000	4,545,000	8,545,000	9,519,500	13,519,600
(h) 5% Rate Increase (Ages 0 to 2)*	0	3,392,000	3,392,000	3,392,000	3,392,000
(i) 5% Rate Increase (Ages 2 to 4)*	0	4,291,800	4,291,800	4,291,800	4,291,800
(j) $5 Minimum Infant Hourly Rate*	0	521,400	521,300	521,400	521,300
(k) Reduced 2-Star Penalty*	0	2,213,600	2,213,600	2,213,600	2,213,600
(l) County Contracts	14,855,000	0	14,855,000	0	14,855,000
(m) Disregard Child SSI	0	7,975,300	7,975,300	8,334,400	8,334,400
Total	$318,369,200	$24,951,800	$343,320,900	$33,201,600	$351,570,800

*Items implemented October 1, 2018.

As shown in the table, the funding in the bill under this item includes reestimates of the following ongoing costs: (a) continuing child care subsidy payments at base levels for the estimated caseloads and subsidy amounts; (b) subsidy adjustments for two-, four- and five-star providers under the YoungStar child care provider ratings system; (c) implementing a minimum eligibility period of 12 months, as required by the federal CCDBG Reauthorization Act of 2014 (the CCDBG Act); (d) maintaining the same level of funding for the cost of allowing a three-month period of eligibility for individuals whose work activities have terminated, as required by the CCDBG Act; (e) growth in provisionally certified child care providers becoming licensed or regularly certified due to compliance with federal health and safety regulations under the CCDBG Act; (f) continuing the across-the-board rate increase provided under 2017 Act 236 on an annual basis; (g) continuing the provisions of 2017 Act 59 that mitigate the benefit drop-off in Wisconsin Shares for families with income exceeding the exit threshold of 200% FPL; (h) a 5% rate increase for children younger than two years of age; (i) continuing a 5% rate increase for children between the ages of two and four years old; (j) continuing a statewide $5 minimum hourly subsidy for infants in licensed childcare providers; (k) maintaining a partial reduction in the 5% subsidy reduction for 2-Star providers under the YoungStar provider rankings system; (l) maintaining funding for local administration, including contracts for onsite care at job centers and migrant child care; and (m) disregarding the social security income of the child as part of financial eligibility determinations, as required by a recent court ruling.

Joint Finance: Decrease funding for item "g" above by $1,000,000 annually, based on a reestimate of costs using more recent caseload data. Further, provide an additional $1,935,700 annually for item "f" to increase the YoungStar adjustment for four-star providers to 15% and five-star providers to 30%, effective on the date of the bill. These percentages equal the rate adjustments authorized under 2017 Act 236. Provide that DCF must maintain these exact adjustment rates

through June 30, 2021, after which DCF would retain discretion to set the adjustments up to those amounts.

Together with item 8 above and items 15, 16, and 17 below, total funding for direct child care subsidies would be $357,097,500 in 2019-20 and $365,700,400 in 2020-21.

15. WISCONSIN SHARES -- RATE INCREASE [LFB Paper 188]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$46,717,400	- $22,865,700	$23,551,700

Governor: Provide $22,922,800 in 2019-20 and $23,494,600 in 2020-21 to increase the maximum reimbursement rates for licensed child care providers under the Wisconsin Shares child care subsidy program for all counties to the 50th percentile of the market rate measured in the 2017 market rate survey.

Joint Finance: Modify the Governor's recommended funding to instead provide $11,630,800 in 2019-20 and by $11,920,900 in 2020-21 to increase the maximum reimbursement rates. This is a decrease relative to the Governor's funding level of $11,292,000 in 2019-20 and $11,573,700 in 2020-21.

16. WISCONSIN SHARES -- RATES FOR CERTIFIED PROVIDERS [LFB Paper 189]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$3,400,000	- $1,360,000	$2,040,000

Governor: Provide $1,700,000 annually to increase the maximum payment rates for certified child care providers under the Wisconsin Shares program.

Under current law, payments to child care providers are capped at maximum weekly reimbursement rates set by DCF for each county. In general, child care providers must be licensed by DCF in order to receive compensation for caring for four or more children under the age of seven. Licensed family child care centers, usually operating out of the provider's home, may provide care for up to eight children. Providers caring for three or fewer children under the age of seven must be certified by the local administrator in order to receive payment from Wisconsin Shares. There are two certification categories: Level I (regular) family child care and Level II (provisional) family child care.

For regularly and provisionally certified providers, the maximum hourly may not exceed 75% and 50% of the licensed family hourly rate, respectively. The bill would remove the 75% and 50% limits for regularly and provisionally certified providers, so that the maximum rate for these providers could not exceed the licensed family hourly rate.

Joint Finance: Modify the bill to increase the reimbursement limit for regularly and provisionally certified child care providers, from 75% and 50% of the maximum reimbursement rates set by DCF for licensed family care providers, respectively, to be no more than 90% of the licensed family hourly rates for both regularly and provisionally certified child care providers. Reduce funding in the bill by $680,000 annually to reflect the estimated cost savings of this modification to the Governor's proposal.

17. GRANTS TO SUPPORT CHILD CARE IN THE CITY OF MILWAUKEE [LFB Paper 190]

FED	$1,404,000

Governor/Joint Finance: Provide $655,000 in 2019-20 and $749,000 in 2020-21 for DCF to provide grants to child care providers to support access to high-quality child care for families that reside in a geographic area with high-poverty levels, as identified DCF, in the City of Milwaukee. Specify that a grant could be used for start-up costs, ongoing operational costs (including subsidy payments for eligible families for which $190,000 would be budgeted in 2019-20 and $253,000 in 2020-21), and quality improvement activities. Funding of $465,000 in 2019-20 and $496,000 in 2020-21 would support awards through the teacher evaluation and compensation helps (TEACH) program, the rewarding education with wages and respect for dedication (REWARD) program, and Milwaukee Area Technical College grants. Require any child care provider that is awarded a grant to contribute matching funds equal to 25 percent of the amount awarded. Specify that the matching contribution may be in the form of money or in-kind goods or services.

18. CHILD CARE -- STATE ADMINISTRATION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$6,278,500	1.00	$1,770,000	0.00	$8,048,500	1.00

Governor: Provide $2,892,700 in 2019-20 and $3,385,800 in 2020-21 to increase support for state administration of child care licensing and regulation activities, Wisconsin Shares, and child care quality improvement programs. The total amount of funding that would be provided for these activities would be $39,722,100 in 2019-20 and $40,215,200 in 2020-21.

The increase in funding primarily reflects two items. First, $1,264,900 in 2019-20 and $1,286,500 in 2020-21 would be provided to implement background checks for child care workers. This includes funding of $39,400 in 2019-20 and $52,500 2020-21 for 1.0 project paralegal position, terminating on June 30, 2021, to prepare case research, documentation, and other administrative activities to assist with the preparation of appeals or rehabilitation reviews.

Second, $1,383,000 annually would be provided to increase funding for the Milwaukee Enrollment Services (MilES), which is responsible for determining and redetermining eligibility for Wisconsin Shares in Milwaukee County. DCF had previously agreed to provide $1,685,000 per year to the Department of Health Services pursuant to a memorandum of understanding, but

such funding was usually insufficient to cover actual costs. (The overspending was usually offset by underspending in the TANF allocation for child care state administration.) The increased funding would support the estimated costs under a July, 2018, inter-agency agreement, which is based on improved billing procedures in MilES.

The funding also reflects: (a) administrative costs associated with health insurance, retirement, and reserves (-$411,400 in 2019-20 and $25,300 in 2020-21); (b) standard budget adjustments and realignments ($428,500 in 2019-20 and $450,200 in 2020-21); and (c) reestimated rent costs for the Milwaukee Early Care Administration ($227,700 in 2019-20 and $240,800 in 2020-21).

Joint Finance: Provide an additional $430,000 in 2019-20 and $1,340,000 in 2020-21 to support a 2% general wage adjustment in both 2020 and 2021.

19. QUALITY CARE FOR QUALITY KIDS [LFB Paper 190]

FED	$950,000

Governor/Joint Finance: Provide $415,000 in 2019-20 and $535,000 in 2020-21 to support child care quality improvement programs. DCF indicates that the funding is intended to support the Wisconsin Pyramid Model, which provides a tiered intervention framework that enhances social and emotional competence in infants, toddlers and young children. The Pyramid Model offers evidence-based strategies for child care providers, parents and professionals to support optimal development and prevent challenging behaviors.

In 2018-19, CCDF funding of $100,000 supports training on the pyramid model, which is provided through the contract for YoungStar administration with the Supporting Families Together Association. Additional CCDF funding of $50,000 supports training through locally based child care resource and referral agencies.

Funding would be maintained at base levels for other quality and availability programs, such as TEACH, REWARD, and the contract costs of the child care quality rating and improvement system (YoungStar). Together with the funding provided for grants to support child care in the City of Milwaukee, total funding would be $16,532,700 in 2019-20 and $16,683,700 in 2020-21.

20. KINSHIP CARE [LFB Paper 209]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$9,812,900	- $496,100	$9,316,800

Governor: Provide $4,106,000 in 2019-20 and $5,706,900 in 2020-21 to fund: (a) reestimates of program costs, based on the current payment rate ($3,858,800 in 2019-20 and $4,936,400) in 2020-21); and (b) increases in the monthly benefit by 2.0% annually, from $244 to $249 beginning January 1, 2020, and to $254 beginning January 1, 2021 ($247,200 in 2019-20 and $770,500 in 2020-21). In total, the bill would provide $26,847,200 in 2019-20 and $28,448,100 in

2020-21 to fund these payments.

Under the program, qualifying individuals receive monthly kinship care payments to support costs of caring for relative children.

Joint Finance: Reduce funding by $207,200 in 2019-20 and by $288,900 in 2020-21 to reflect reestimates of the cost of funding kinship care payments, including the rate increases recommended by the Governor and adopted by the Committee, in the 2019-21 biennium. Under Joint Finance, $26,640,000 in 2019-20 and $28,159,200 in 2020-21 would be budgeted to fund kinship care payments in the 2019-21 biennium.

21. CARETAKER SUPPLEMENT

FED	- $3,849,400

Governor/Joint Finance: Reduce funding by $1,924,700 annually to reflect reestimates of the costs of providing caretaker supplement payments to supplemental security income (SSI) recipients with dependent children. In addition to receiving state and federal SSI benefits, SSI recipients with dependent children receive a caretaker supplement of $250 per month for the first child and $150 per month for each additional child. Total funding under the bill for the caretaker supplement would be $25,013,300 annually.

22. EMERGENCY ASSISTANCE

FED	- $2,000,000

Governor/Joint Finance: Reduce funding by $1,000,000 annually to reestimate the costs of providing assistance to needy persons in cases of fire, flood, natural disaster, energy crisis, homelessness, and impending homeliness under the emergency assistance program. Total funding under the bill for emergency assistance would be $6,000,000 annually.

23. STATE ADMINISTRATION OF WISCONSIN WORKS AND OTHER RELATED TANF PROGRAMS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$785,100	- 2.00	$870,000	0.00	$1,655,100	- 2.00

Governor: Provide $319,000 in 2019-20 and $466,100 in 2020-21 to increase funding for state administration of TANF and TANF-related programs, including W-2, Transform Milwaukee, and kinship care. These amounts include: (a) administrative costs associated with health insurance, retirement, and reserves (-$56,300 in 2019-20 and $64,400 in 2020-21); (b) standard budget adjustments ($426,000 in 2019-20 and $433,200 in 2020-21); (c) realignment (-$152,300 annually and -2.0 positions annually); (d) partial TANF funding for a DOA position to administer the homeless shelter grant program under the bill ($7,400 in 2019-20 and $26,600 in 2020-21); and (e) administrative costs associated with the proposed improvements to the statewide automated

child welfare information system ($94,200 annually).

Joint Finance: Provide $210,000 in 2019-20 and $660,000 in 2020-21 to support a 2% general wage adjustments in both 2020 and 2021.

24. GRANTS TO BOYS AND GIRLS CLUBS OF AMERICA [LFB Paper 191]

FED	$2,800,000

Governor/Joint Finance: Provide $1,400,000 annually to increase, from $1,275,000 to $2,675,000, annual funding for grants to the Wisconsin Chapter of the Boys and Girls Clubs of America. This grant funding is provided to support programs that improve social, academic, and employment skills of youth, focusing on study habits, intensive tutoring in math and English, and exposure to career options and role models.

Under current law, of the total annual funding budgeted for grants, $75,000 is directed for the Green Bay Boys and Girls Club Be Great: Graduate program and $100,000 is equally distributed to the Milwaukee, Oshkosh, and Appleton Boys and Girls Clubs' Be Great: Graduate program. The bill would repeal the provisions directing funding to the Green Bay and Milwaukee, Oshkosh, and Appleton Boys and Girls Clubs, and instead direct that, of the total amount budgeted for grants, up to $1,400,000 in each fiscal year would be budgeted for the Be Great: Graduate program in the amount of matching funds the program provides.

25. COMMUNITY SERVICES -- "WE GOT THIS" [LFB Paper 191]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$50,000	- $50,000	$0

Governor: Provide $25,000 annually and require DCF to provide this amount annually as a grant to the "We Got This" program in the City of Milwaukee. "We Got This" is a summer mentorship program for young boys that focuses on neighborhood cleanup and gardening. In addition, rename the TANF allocation for "Wisconsin community services" to "Community grants."

Joint Finance: Delete provision.

26. GRANT FOR CASE MANAGEMENT SERVICES FOR HOMELESS FAMILIES [LFB Paper 115]

FED	$1,000,000

Governor: Increase, from $500,000 to $1,000,000 annually, TANF funding for grants to shelter facilities to provide intensive case management services to homeless families. Funding for these services is budgeted in DCF and transferred to the Department of Administration (DOA), which administers the program.

Under the program, DOA is authorized to award up to ten grants of up to $50,000 each to any shelter program. Grantees may use these funds to provide case management services, including: (a) services related to financial management; (b) employment-related services; (c) services intended to ensure continuation of school enrollment for children; and (d) services related to the enrollment of unemployed or under-employed parents in the FoodShare employment and training program or the Wisconsin Works program.

Joint Finance: Adopt the Governor's recommendation. However, allocate $500,000 FED TANF to transfer the PR funding budgeted for DOA ($500,000 annually) to the Joint Committee on Finance program supplements appropriation. (See "Administration -- Housing and Energy," Item 7.)

27. OFFENDER REENTRY DEMONSTRATION PROJECT [LFB Paper 191]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$1,150,000	- $1,150,000	$0

Governor: Provide $575,000 annually to increase TANF funding for the offender reentry demonstration project from $250,000 to $825,000 annually. Funding would replace one-time funding previously provided from the Department of Justice and fully fund direct services for 80 participants at the Alma Center reentry program, which provides ancillary support services after reentry (such as housing and employment).

Joint Finance: Delete provision.

28. EARNED INCOME TAX CREDIT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$33,000,000	- $33,000,000	$0

Governor: Increase funding for the refundable portion of the earned income tax credit by $16,000,000 in 2019-20 and by $17,000,000 in 2020-21. The funding would support modifications to the tax credit, which would increase the amounts qualifying individuals could claim. [See "General Fund Taxes -- Earned Income Tax Credit."]

Under the bill, the total TANF funding that would be budgeted to fund the refundable portion of the earned income tax credit would be $85,700,000 in 2019-20 and $86,700,000 in 2020-21.

Joint Finance: Delete provision.

29. CHILD WELFARE SAFETY SERVICES [LFB Paper 191]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$4,864,200	- $1,864,200	$3,000,000

Governor: Increase funding for child welfare safety services by $1,986,600 in 2019-20 and $2,877,600 in 2020-21. The additional funding would support the continued expansion of services statewide. Safety services are provided to ensure the safety of children who DCF or a county determines may remain in their homes if appropriate services are provided.

Under the bill, the total TANF funding that would budgeted for safety services and for services for families with children placed in out-of-home care would be $9,300,900 in 2019-20 and $10,191,900 in 2020-21.

Joint Finance: Modify the Governor's recommended TANF funding to instead provide $1,000,000 FED in 2019-20 and $2,000,000 FED in 2020-21 to increase funding for the expansion of child welfare safety services statewide (-$986,600 in 2019-20 and -$877,600 in 2020-21 relative to the Governor's recommended funding level). Total funding provided is $8,314,300 in 2019-20 and $9,314,300 in 2020-21.

30. CHILD ABUSE PREVENTION SERVICES [LFB Paper 191]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$3,187,500	- $1,187,500	$2,000,000

Governor: Provide $1,012,500 in 2019-20 and $2,175,000 in 2020-21 to increase TANF funding budgeted for the Family Foundations statewide home visiting program, from $3,900,000 in 2018-19 to $4,912,500 in 2019-20 and $6,075,000 in 2020-21. The bill would maintain base funding for the Milwaukee Brighter Futures program ($577,500 annually) and home visiting services in the City of Milwaukee ($812,100 annually).

Joint Finance: Modify the Governor's recommended TANF funding to instead provide $500,000 in 2019-20 and $1,500,000 in 2020-21. Total funding provided for prevention services is $5,789,600 in 2019-20 and $6,789,600 in 2020-21 (-$512,500 in 2019-20 and -$675,000 in 2020-21 relative to the Governor's recommended funding level). Further, increase funding for the Family Foundations statewide home visiting program. (See "Children and Families -- Child Welfare Services")

31. TANF REVENUE ADJUSTMENTS

GPR	$7,600
FED	- 335,500
PR	327,900
Total	$0

Governor/Joint Finance: Provide the following revenue adjustments: (a) an estimated increase in child care licensing fees ($73,300 PR

and -$73,300 FED annually); (b) an estimated increase in child support collections ($68,100 PR and -$68,100 FED in 2019-20 and $113,200 PR and -$113,200 FED in 2020-21); and (c) an adjustment to funding to support lease costs ($7,600 GPR and -$7,600 FED in 2020-21).

32. TANF REALLOCATION APPROVAL

Governor: Modify provisions relating to funding adjustments for programs supported by the federal TANF block grant to conform with the law prior to 2017 Act 370 as follows.

Reallocation of TANF Funds among Programs. Pursuant to Act 370, DCF is prohibited from reallocating funds between TANF-funded programs unless DCF first notifies the Joint Committee on Finance in writing of the proposed reallocation and the Co-Chairs of the Committee do not notify DCF within 14 working days after the date of the DCF notification that the Committee has scheduled a meeting to review the proposed reallocation. However, if within 14 working days after the DCF notification, the Co-Chairs notify DCF that the Committee has scheduled a meeting to review the proposed reallocation, then DCF may make the proposed reallocation only upon approval by the Committee.

The bill would repeal these provisions, and instead restore the authority of the Secretary of the Department of Administration (DOA) to approve requests from DCF to reallocate funding between TANF-funded programs from the allocation amounts specified in the statutory TANF schedule, as was the law prior to Act 370.

TANF Reduction Plan. Pursuant to Act 370, if the amounts budgeted from federal TANF funds exceed the TANF block grant amount the state receives, DCF must submit a plan to the Committee for reducing the allocated funding amounts for approval under a 14-day passive review process. However, if within 14 working day after the date DCF submits the plan the Committee has scheduled a meeting to review the proposed reduction plan, DCF may only allocate the moneys specified in the budget reduction plan only upon approval of the Committee, as was the law prior to Act 370.

The bill would repeal these provisions, and instead the budget reduction plan would need to be submitted to the DOA Secretary. DCF would be able to implement the plan with the Secretary's approval.

Definition of Allocation. Redefine "allocation" to mean, with respect to any of the programs listed in the TANF schedule that fund a contract for services, the amount under the contract that DCF is obligated to pay. As a result, DCF would not need to seek permission to reallocate funding if a program overspends the amount provided in the TANF schedule so long as DCF enters into a contract with a vendor under the program calling for an estimated amount of spending less than or equal to the amounts provided under the bill for TANF programs.

Technical Modifications. Repeal an obsolete reference to certain funding provided and required to be spent prior to September 30, 2016.

Joint Finance: Delete provision.

33. CHILD CARE BACKGROUND CHECK MODIFICATIONS [LFB Paper 192]

Governor: Modify provisions relating to the background checks of child care workers as described below. Federal law requires states to conduct extensive criminal background checks every five years on all child care staff members that have unsupervised access to children, including a search of state and national registries (including each state resided in within the last five years) in five specific areas: (a) state criminal and sex offender registries; (b) state child abuse and neglect registries; (c) the National Crime Information Center; (d) Federal Bureau of Investigation (FBI) fingerprint checks; and (e) the National Sex Offender Registry. Under current law, DCF conducts background checks on all applicants for licensing or certification, household members age 10 and older who reside in a child care program, caregiver employees, and noncaregiver employees and contractors with opportunity for unrestricted access to children. No provider's license, certification, or contract may be issued, continued, or renewed if: (a) the provider has been convicted or adjudicated delinquent of a serious crime; (b) the provider is the subject of a pending criminal charge or delinquency petition alleging that the provider has committed a serious crime; (c) a final determination (or final decision on a contested case hearing) has been made that the person has abused or neglected a child; or (d) the provider's current credentials are inadequate. A provider is prohibited from employing or contracting with a person who will have access to children under the same conditions.

Appeal. Under current law, persons determined to be ineligible to work or live in a child care program due to the results of a background check are informed of the right to appeal. They have 60 days within which to do so unless DCF grants an extension. The bill would change the time to appeal to within 10 days, unless DCF grants an extension. Further, the bill would clarify that DCF may disclose and use information obtained in conducting background checks during an appeal or reconsideration as necessary for a lawful purpose.

Serious Crimes and Rehabilitation. Under current law, depending on the criminal offense involved, an individual may be permanently barred from providing child care, barred from providing child care for a period of five years after completion of any sentence, or barred from providing child care until rehabilitated. An individual may demonstrate that he or she has been rehabilitated by clear and convincing evidence. However, rehabilitation approval does not ensure that the approved person will receive a license, certification, employment, or permission to reside at a child care program. It only lifts the bar so that the individual may be considered like any other person. Providers, caregivers, and residents cannot be rehabilitated for the purpose of providing child care services if convicted or adjudicated delinquent of a serious crime, such as murder, kidnapping, or sexual assault. In addition, child care providers (but not caregivers or residents) cannot be rehabilitated if they have been convicted of certain crimes against property, such as retail theft, forgery, or identity theft.

The bill would add arson of buildings and property other than buildings, patronizing a child, child neglect, chronic or repeated acts of neglect, and leaving a child unattended in a child care provider's vehicle as serious crimes. Further, a technical modification would change the way serious crimes are defined. Serious crimes would no longer be defined according to the length of time that has passed. Instead, a person would be allowed to demonstrate rehabilitation if their sentence has been completed or they have been discharged by the Department of Corrections more

than five years ago. If a person successfully demonstrates that he or she is rehabilitated, then the person may be allowed to be a caregiver, noncaregiver employee, or household member of the child care program. The bill would also remove the ability of county departments (and agencies under contracts with them) and school boards from conducting rehabilitation reviews.

Refusal to Pay. Obsolete provisions requiring DCF and county departments to refuse to pay child care providers convicted of serious crimes and permitting DCF and county departments to refuse to pay those with pending charges for serious crimes would be repealed. Instead, payment would be refused in such cases under the provisions relating to Wisconsin Shares.

Definitions. The bill would provide for several changes to definitions and update the language of the statutes. A "licensing entity" would mean: (a) DCF when licensing a child care center; (b) a county department, (or DCF for Milwaukee County) or an agency or Indian tribe contracted with when certifying a child care provider; or (c) a school board when contracting with a child care provider. "Approval" would mean a child care center license, a child care provider certification, or a contract with a child care provider. A distinction would be made between name-based background checks and fingerprint-based background checks, and "criminal background checks" would simply be referred to as background checks. Disqualifying crimes would be referred to as disqualifying offenses.

The definition of caregiver would mean an employee or contractor of a child care program who is involved in the care or supervision of clients or a person who has direct contact and unsupervised access to clients of a child care program. The definition of contractors would be repealed. A "noncaregiver employee" would mean a person who provides services to a child care program as an employee or a contractor and is not a caregiver, but whose work at the child care program provides the ability to move freely throughout the premises and opportunities for interactions with clients of the child care program. Nonclient residents would be redefined as household members. The bill would define household members as being older than 10 and otherwise remove references to the age of household members. DCF would be required to run background checks on all caregivers, noncaregiver employees, and household members of a child care program.

Joint Finance: Adopt the Governor's recommendation. In addition, create an all moneys received program revenue appropriation for the collection of fees related to DOJ background checks. Provide that all funding collected by DCF and credited to the appropriation would be used for the purpose of obtaining a fingerprint-based criminal history search.

34. SKILLS ENHANCEMENT GRANT [LFB Paper 115]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Increase funding for skills enhancement grants by $250,000 annually. Skills enhancement grants are distributed by community action agencies to individuals who work at least

20 hours per week and whose earned income is at or below 150 percent of the federal poverty level. The funding is intended to assist eligible persons overcome barriers to employment and education, including access to transportation, child care, career counseling, job placement assistance, and financial support for education and training.

Joint Finance: Delete provision. Instead reserve funds in the Finance Committee's program supplements appropriation for homelessness prevention initiatives.

35. HIGH SCHOOL EQUIVALENCY AND GED TEST ASSISTANCE

FED	$120,000

Joint Finance: Provide $60,000 annually to increase, from $115,000 to $175,000 annually, funding for high school equivalency and general education development (GED) test assistance for individuals who are eligible for TANF assistance.

Child Welfare Services

1. CHILDREN AND FAMILY AIDS FUNDING INCREASE [LFB Paper 205]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$18,750,000	$4,750,000	$23,500,000
FED	0	7,000,000	7,000,000
Total	$18,750,000	$11,750,000	$30,500,000

Governor: Provide $3,750,000 in 2019-20 and $15,000,000 in 2020-21 to increase the children and families aids (CFA) allocation. Increase the statutory children and family aids allocations to reflect this and other items in the bill that would modify funding for the program so that $78,708,100 (all funds) in 2019-20 and $90,478,400 (all funds) in 2020-21 would be allocated for the program.

Joint Finance: Provide additional funding of $1,250,000 GPR in 2019-20 and $3,500,000 GPR and $7,000,000 FED in 2020-21 to increase the CFA. The federal funding is provided under Title IV of the federal Social Security Act. Together with other items in the bill, total funding would be $80,125,200 (all funds) in 2019-20 and $101,145,500 (all funds) in 2020-21.

The following table summarizes the CFA funding that would be provided in the bill.

Children and Family Aids Funding Changes

	2019-20	2020-21
2018-19 Statutory Allocation	$74,308,000	$74,308,000
Cost to Continue 2017 Act 59 Foster Care Rate Increases	432,200	380,400
Foster Care Rate Increase	332,100	664,200
CFA Funding Increase	5,000,000	25,500,000
Foster Care for Parents Living in Treatment Programs	186,600	186,600
Program Revenue Reestimates	-133,700	106,300
Statutory Allocations	$80,125,000	$101,145,500

2. MILWAUKEE CHILD PROTECTIVE SERVICES -- AIDS PAYMENTS AND CONTRACTED SERVICES

GPR	$6,117,100
FED	2,073,000
PR	3,842,500
Total	$12,032,600

Governor: Provide $5,901,800 ($2,728,300 GPR, $1,207,200 FED, and $1,966,300 PR) in 2019-20 and $6,130,800 ($3,388,800 GPR, $865,800 FED, and $1,876,200 PR) in 2020-21 to reflect reestimates of the cost of Division of Milwaukee Child Protective Services (DMCPS) aids payments and contracted services.

This item includes the following: (a) a reestimate of out-of-home caseloads and service costs for wraparound and in-home services ($224,400 PR in 2019-20 and $491,700 FED, and $943,800 PR in 2020-21); (b) a reestimate of aids contracts costs, such as funding for independent investigations, court services, and foster parent training ($790,600 PR in 2019-20 and $57,200 FED and $733,400 PR in 2020-21); and (c) adjustments to the base to reflect revised estimates of federal claiming rates under Title IV-E of the Social Security Act (-$199,000 FED and $199,000 PR in 2020-21).

As part of this item, the bill would transfer the subsidized guardianship payments for Milwaukee County from the state foster care and adoption assistance appropriations to the DMCPS aids appropriations to better reflect current practice, since DMCPS currently administers the program. The funding increase for the transfer of base funding ($3,168,700 GPR and $766,800 FED annually) is included in this item, while the corresponding funding decrease is reflected under the adoption assistance, foster care, and subsidized guardianship item. Further, reestimate funding for subsidized guardianship payments by $951,300 PR in 2019-20 and by $660,400 GPR, $292,200 FED in 2020-21. In addition, adjust the funding to reflect revised estimates of federal claiming under Title IV-E (-$440,400 GPR and $440,400 FED in 2019-20 and -$440,300 GPR and $440,300 FED) The source of the program revenue is surplus third-party collections the Department receives for the support of children in out-of-home care, such as child support and social security income payments.

Joint Finance: Modify Milwaukee County's contribution for child welfare services provided by DMCPS as follows. Under current law, Milwaukee County contributes $58,893,500 per fiscal year for the provision of DMCPS services, primarily through the reduction from state aid and shared revenue payments to the county. Modify Milwaukee's contribution from $58,893,500 to the greater of that amount or the amount in the schedule of appropriations for the child welfare services aids

appropriation for services to children and families in a county having a population of 750,000 or more (Milwaukee County). Based on the funding provided under the bill for DMPCS child welfare services aids, the amounts in that appropriation would exceed the prior contribution amount of $58,893,500, thereby reducing shared revenue payments, by $6,824,500 in 2020 and by $7,599,100 in 2021. (See "Shared Revenue and Tax Relief -- Direct Aid Payments").

3. ADOPTION ASSISTANCE, STATE FOSTER CARE, AND SUBSIDIZED GUARDIANSHIP [LFB Paper 206]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $10,504,200	$3,082,200	- $7,422,000
FED	4,894,100	1,713,100	6,607,200
Total	- $5,610,100	$4,795,300	- $814,800

Governor: Decrease funding by $2,679,100 (-$5,173,000 GPR and $2,493,900 FED) in 2019-20 and by $2,931,000 (-$5,331,200 GPR and $2,400,200 FED) in 2020-21 to reflect: (a) a reestimate of adoption assistance and state foster care payments and changes in federal claiming rates (-$2,004,300 GPR and $3,260,700 FED in 2019-20 and -$2,162,500 GPR and $3,167,000 FED in 2020-21); and (b) the transfer of subsidized guardianship payments to the appropriations for DMCPS, which administrates the program (-$3,168,700 GPR and -$766,800 FED annually).

Joint Finance: Modify the Governor's recommended funding level to provide $1,133,200 ($880,800 GPR and $252,400 FED) in 2019-20 and $3,662,100 ($2,201,400 GPR and $1,460,700 FED) in 2020-21 to reflect more recent estimates of caseloads and state costs for foster care and adoption assistance.

The following table summarizes base funding for these costs, reestimates, and the total amounts that would be budgeted to support these costs in each year of the 2019-21 biennium.

	2019-20			2020-21		
	GPR	FED IV-E	All Funds	GPR	FED IV-E	All Funds
State Foster Care						
Base Funding	$1,957,600	$904,800	$2,862,400	$1,957,600	$904,800	$2,862,400
Reestimate	1,231,500	711,000	1,942,500	1,231,500	711,000	1,942,500
Subtotal	$3,189,100	$1,615,800	$4,804,900	$3,189,100	$1,615,800	$4,804,900
Adoption Assistance						
Base Funding	$48,930,300	$42,150,700	$91,081,000	$48,930,300	$42,150,700	$91,081,000
Reestimate	-2,590,300	2,590,300	0	-1,427,900	3,704,900	2,277,000
Subtotal	$46,340,000	$44,741,000	$91,081,000	$47,502,400	$45,855,600	$93,358,000
Adoption Service Contracts						
Base Funding	$2,380,000	$1,421,900	$3,801,900	$2,380,000	$1,421,900	$3,801,900
Reestimate	235,300	211,800	447,100	235,300	211,800	447,100
Subtotal	$2,615,300	$1,633,700	$4,249,000	$2,615,300	$1,633,700	$4,249,000
Total						
Base Funding	$53,267,900	$44,477,400	$97,745,300	$53,267,900	$44,477,400	$97,745,300
Reestimate	-1,123,500	3,513,100	2,389,600	38,900	4,627,700	4,666,600
Subsidized Guardianship Transfer	-3,168,700	-766,800	-3,935,500	-3,168,700	-766,800	-3,935,500
Grand Total	**$48,975,700**	**$47,223,700**	**$96,199,400**	**$50,138,100**	**$48,338,300**	**$98,476,400**

4. TRIBAL FAMILY SERVICES [LFB Paper 207]

GPR	- $2,543,800
PR	3,586,100
Total	$1,042,300

Governor/Joint Finance: Provide $446,700 (-$1,271,900 GPR and $1,718,600 PR) in 2019-20 and $595,600 (-$1,271,900 GPR and $1,867,500 PR) in 2020-21: (a) replace base GPR funding for the tribal family services program with PR from tribal gaming revenues (-$1,271,900 GPR and $1,271,900 PR annually); and (b) increase funding for the program from tribal gaming revenues by $446,700 PR in 2019-20 and $595,600 PR in 2020-21. Renumber the current GPR appropriation for the program and convert it to a PR appropriation funded from tribal gaming revenue.

5. GRANTS FOR RUNAWAY AND HOMELESS YOUTH SERVICES

GPR	$500,000

Governor/Joint Finance: Provide $250,000 annually to increase, from $150,000 to $400,000, the grant funding DCF provides to programs that provide services for runaway and homeless youth. Repeal a statutory provision that allocates $50,000 annually for these programs from an appropriation that currently supports grants for children's community programs to consolidate, in one appropriation budgeted at $400,000 annually, state funding for grants for runaway and homeless youth services.

6. CHILD WELFARE DATA SYSTEM IMPROVEMENTS

GPR	$419,700
FED	419,700
Total	$839,400

Governor/Joint Finance: Provide $335,800 ($167,900 GPR and

$167,900 FED) in 2019-20 and $503,600 ($251,800 GPR and $251,800 FED) in 2020-21 to fund changes to the child welfare information technology system to develop and establish data exchanges, including data regarding education, courts and justice, the state sex offender registry, the Department of Health Services, and a homeless management information system. DCF indicates that the changes are necessary to comply with federal law, and would create a more comprehensive information system for children DCF serves. Funding would support work through the vendor for the statewide automated child welfare information system. The federal funding is provided under Title IV-E of the Social Security Act.

7. QUALIFIED RESIDENTIAL FAMILY-BASED TREATMENT FACILITIES [LFB Paper 208]

GPR	$338,400
FED	245,600
Total	$584,000

Governor: Provide $292,000 ($169,200 GPR and $122,800 FED (Title IV-E)) annually to fund services for children placed in qualified residential family-based treatment facilities (QRFTFs). Modify the Children's Code (Chapter 48) to conform to changes in federal law under the Family First Prevention Services Act (enacted as part of the federal Bipartisan Budget Act of 2018) by establishing QRFTFs as a placement option under specified circumstances. Of this funding, $186,600 ($108,100 GPR and $78,500 FED) would be budgeted to increase children and family aids for counties to support these services.

Under current law, children may be placed in out-of-home care as a result of one of four types of actions: (a) a CHIPS court order, in cases where a court determines that the removal of a child from his or her home and placement into out-of-home care is necessary to assure the child's safety; (b) a juvenile in need of protection or services (JIPS) court order, in cases where a court determines that a child has demonstrated certain behaviors, including being uncontrollable, running away, or truancy; (c) a delinquency court order, in cases were a child has engaged in a criminal act; or (d) a voluntary placement agreement (VPA) between a parent and a caregiver and involving the child welfare agency. If legal grounds exist to continue to hold the child in custody pending disposition of a CHIPS/JIPS case, the child may be held temporarily in certain placements, including the home of a relative or guardian, a foster home, a group home, or a shelter care facility.

The bill would define a "qualifying residential family-based treatment facility" to mean a certified residential family-based alcohol or drug abuse treatment facility: (a) that provides, as part of the treatment for substance abuse, parenting skills training, parent education, and individual and family counseling; and (b) whose substance abuse treatment, parenting skills training, parent education, and individual and family counseling is provided under an organizational structure and treatment framework that involves understanding, recognizing, and responding to the effects of all types of trauma and in accordance with recognized principles of a trauma-informed approach and trauma-specific interventions to address the consequences of trauma and facilitate healing.

Under the bill, a court would have jurisdiction under the Children's Code over a child whose parent: (a) is residing in a QRFTF; (b) signs the petition requesting jurisdiction; and (c) with the DCF's consent, requests that the child reside with him or her at the QRFTF. A child, or expectant mother, held in custody pending the disposition of a CHIPS case could be placed with their parent in a QRFTF if the child's permanency plan includes a recommendation for such a placement before the placement is made and the parent consents to the placement. Ultimately, if the court finds that

the child is in need of protection or services, or that the unborn child of a child expectant mother is in need of protection or services, the court would be able to place a child with their parent in a QRFTF if the child's permanency plan includes a recommendation for such a placement before the placement is made and the parent consents to the placement.

Likewise, acting under a VPA, a child's parent, DCF, or a county department would be able to place the child in a QRFTF with a parent, if such a placement is recommended in the child's permanency plan. A placement may not exceed 180 days from the date on which the child was removed from the home under the VPA.

Permanency plans would need to include a recommendation regarding placement with a parent in a QRFTF. For each child living in a QRFTF with a parent (whether as part of a VPA or via a CHIPS proceeding), the child welfare agency that placed the child must prepare a written permanency plan.

Counties, and DCF in a county having a population of 750,000 or more, would be authorized to place children under their care in a QRFTF with a parent and to provide maintenance payments on behalf of children in such placements.

Joint Finance: Clarify that a court would have jurisdiction over a child whose parent will be residing in a QRFTF at the time of a child's placement with the parent (rather than currently residing in the QRFTF at the time of the CHIPS petition, as provided in the bill).

Further, specify that either a county agency or DCF (rather than only DCF) must consent to the placement in the QRFTF and also prepare the permanency plan. Also, modify statutory language related to the foster care aid program to insert cross references to the newly created QRFTF, instead of creating a new subdivision relating exclusively to QRFTF placements (as provided in the bill, which is unnecessary).

Finally, modify certain language in order to match the language used elsewhere in related sections as follows: (a) change facility to the plural "facilities;" and (b) insert a more specific reference to the statutory subsection related to permanency plans and clarify that such a plan would need to be made before the placement in a QRFTF.

8. FOSTER CARE YOUTH DRIVER'S LICENSING PROGRAM [LFB Paper 206]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$378,900	- $378,900	$0

Governor: Provide $89,700 in 2019-20 and $289,200 in 2020-21 and require DCF to establish, or contract for, a driver education program for youth in out-of-home care who are 15 years of age or older. Specify that the program would provide assistance with identifying and enrolling in an appropriate driver education course, obtaining an operator's license, and obtaining

motor vehicle liability insurance.

Permit DCF to pay all of the following expenses: (a) fees required to enroll in a driver education course; (b) fees required to obtain an operator's license; and (c) the cost of motor vehicle liability insurance for the motor vehicle owned or used by the individual while participating in the program and after obtaining an operator's license, including any increase in the cost of motor vehicle liability insurance on a motor vehicle owned by an out-of-home care provider and used by the individual.

Joint Finance: Delete provision.

9. CHILDREN AND FAMILY AIDS -- ACT 59 FOSTER CARE RATE INCREASES [LFB Papers 205 and 209]

GPR	$397,600
FED	415,000
Total	$812,600

Governor/Joint Finance: Increase funding for children and family aids by $432,200 ($221,000 GPR and $211,200 FED) in 2019-20 and by $380,400 ($176,600 GPR and $203,800 FED) in 2020-21 to fully fund estimates of the cost of implementing foster care rate increases enacted in 2017 Act 59. Increase the statutory children and family aids funding allocations for 2019-20 and 2020-21 to reflect this funding increase. [The statutory allocations are also modified to reflect other funding changes for children and family aids that would be provided in the bill.]

Act 59 increased rates by 2.5% beginning January 1, 2018 and by an additional 2.5% beginning January 1, 2019. Consequently, the Department's base budget includes six month, rather than 12 months of funding to support ongoing costs of the current foster care rates. The federal funding is available under Title IV-E of the Social Security Act.

10. FOSTER CARE RATE INCREASES [LFB Paper 209]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$780,100	$393,500	$1,173,600
FED	256,100	129,100	385,300
Total	$1,036,200	$522,600	$1,558,800

Governor: Provide $258,300 ($194,500 GPR and $63,800 FED) in 2019-20 and $777,900 ($585,600 GPR and $192,300 FED) in 2020-21 to increase monthly payments to foster parents. Foster care rates would increase by 2.0% beginning January 1, 2020, and by an additional 2.0%, beginning January 1, 2021. The federal funding is available under Title IV-E of the Social Security Act.

Joint Finance: Modify the Governor's recommended funding to provide an additional $261,300 ($196,800 GPR and $64,500 FED) in 2019-20 and $261,300 ($196,700 GPR and $64,600 FED) in 2020-21 to increase monthly payments to foster parents. Foster care rates would increase by 4.0% beginning on January 1, 2020.

The overall increased funding would support: (a) children and family aids payments counties use to support these foster care payments ($332,100 in 2019-20 and $664,200 in 2020-21); (b) foster care payments DCF makes to foster parents in Milwaukee County ($151,600 in 2019-20 and $303,100 in 2020-21); and (c) state out-of-home care costs for adoption, foster care, and subsidized guardianship ($36,000 in 2019-20 and $71,900 in 2020-21).

The current monthly basic maintenance rates, by level of care, and the rates under the bill are shown below.

	Current Rates	Rates as of January 1 2020	2021
Level One	$244	$254	$254
Levels Two and Above			
Under Age 5	404	420	420
Ages 5 through 11	442	460	460
Ages 12 through 14	502	522	522
Ages 15 and Over	524	545	545

11. READ TO LEAD

GPR	- $47,200

Governor/Joint Finance: Reduce funding by $23,600 annually and repeal the Read to Lead Development Council, the Read to Lead development fund, and the GPR and SEG appropriations that fund the program.

The Read to Lead program was created in 2012 to provide grants to school districts and other entities to support literacy and early childhood development programs. The DCF Secretary chairs the Council and shares responsibility for awarding grants with the State Superintendent of Public Instruction. The Council recommends grant awards within the limits of the program's GPR funding, the Read to Lead development fund, and the Department of Public Instruction's (DPI) SEG sum sufficient appropriation for grants for literacy and early childhood development programs.

The Read to Lead development fund consists of all gifts, grants, bequests, and other contributions made to the fund. The GPR appropriation has been budgeted $23,600 annually since 2011-12.

The administration indicates that the Read to Lead program has effectively ceased operations. The program's development fund initially received $400,000 from the general fund, but has subsequently received only interest earnings. Since the program's inception, the Council has never solicited funding.

12. OUT OF HOME PLACEMENTS IN OTHER STATES [LFB Paper 208]

Governor/Joint Finance: Permit counties, DCF in Milwaukee County, and courts under the Children's Code to place a child in a foster home, group home, a qualifying residential family-

based treatment facility, a home for children who are custodial parents, a residential care center for children and youth, or similar facilities, in another state. Further, authorize counties, and DCF in a county having a population of 750,000 or more, to enter into contracts with child welfare agencies regulated in another state to provide services for children under their care.

DCF indicates that this change would codify current practice in a small number of special cases where the best placement is located outside the state, such as when a current foster or pre-adoptive family moves out of the state, the nearest and best available treatment facility is across state lines, or a relative or family friend lives outside the state.

13. BACKGROUND CHECKS FOR CONGREGATE CARE WORKERS [LFB Paper 210]

GPR	$421,400
FED	231,600
Total	$653,000

Governor: Provide $435,300 ($280,900 GPR and $154,400 FED) in 2019-20 and $217,700 ($140,500 GPR and $77,200 FED) in 2020-21 to implement the following modifications to current law provisions requiring background checks of workers at out-of-home care facilities.

Consistent with prior federal law, state law currently requires workers in child welfare facilities to pass a number of background checks, but not a fingerprint-based background check. However, pursuant to the Family First Prevention Services Act (passed as part of the Bipartisan Budget Act of 2018), federal law now requires criminal fingerprint checks for all workers in licensed congregate care facilities.

The bill would require child welfare licensing entities to perform fingerprint-based background checks for all workers (not just those with regular, direct contact with clients) at a congregate care facility. DCF would be required to obtain fingerprint checks of the national crime information databases, unless the search has been otherwise terminated. Consistent to background checks conducted under current law, the bill would also clarify certain limitations on disclosures of background checks for congregate care workers. The bill would update appropriations for both DHS and DCF to allow for increased program revenue associated with fingerprint check fees.

DCF would be able to promulgate emergency rules to implement the background check requirements for congregate care workers. DCF would not be required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and would not be required to provide a finding of emergency for a rule.

The bill would define congregate care facility to mean a group home, shelter care facility, or residential care center for children and youth. A congregate care worker would mean an adult who works in a congregate care facility, including a person who has or is seeking a license to operate a congregate care facility, but not including an unpaid volunteer.

The background check provisions would first apply to congregate care workers that are hired by or enter into a contract with a congregate care facility on the day after the effective date of the bill. The bill first applies to congregate care workers who are already employed at or under contract with a congregate care facility, on the earlier of: (a) the first day of the 7th month beginning after

the effective date of the bill; or (b) the date on which the congregate care worker's criminal background check is complete.

Joint Finance: Adopt the Governor's recommendations, with the modification to require DCF (or the licensing entity) to perform child abuse and neglect registry checks of congregate care workers who have lived in other jurisdictions. Also, limit the use of the child abuse and neglect registry checks for the purposes of background checks for congregate workers as provided under federal law.

Further, transfer provisions that would allow disclosure of congregate care fingerprint background check information, as permitted under federal law, from a statutory subsection pertaining to background checks for certain caregivers to which the federal provisions do not apply to a newly created statutory subsection pertaining to congregate care workers. Finally, in another provision relating to the disclosure of confidential reports and records specifically to agencies, include a cross reference to federal law to clarify that records may be disclosed to agencies in other states for purposes of a background check of a congregate care worker under the referenced federal law.

14. FAMILY FOUNDATIONS HOME VISITING PROGRAM

GPR	$1,000,000

Joint Finance: Provide $1,000,000 in 2020-21 for the Wisconsin Family Foundations home visiting program (FFHV). FFHV provides competitive grants to local agencies to provide voluntary home-visiting services to at-risk communities to prevent child abuse and neglect. For example, the nurse-family partnership provides home visiting services to first-time, low-income mothers and their children with the goal of improving prenatal and maternal health and birth outcomes, child health and development, and families' economic self-sufficiency and maternal life course development. Together with the funding increase recommended by the Governor and modified by the Committee (see "Economic Support and TANF-related Programs" Item 30), the overall increase for FFHV would be $500,000 FED TANF in 2019-20 and $1,000,000 GPR and $1,500,000 FED TANF in 2020-21. Total funding for FFHV would be $14,109,400 ($985,700 GPR, $4,400,400 FED TANF, and $8,723,700 FED from federal grants under the Maternal Infant, and Early Childhood Home Visiting (MIECHV) program under Title V of the Social Security Act) in 2019-20 and $16,109,400 ($1,985,700 GPR, $5,400,000 FED TANF, and $8,723,700 FED MIECHV) in 2020-21.

Youth Services -- Juvenile Justice

1. SEVENTEEN-YEAR-OLD JUVENILE JUSTICE COST REIMBURSEMENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,000,000	- $5,000,000	$0

Governor: Create a GPR sum sufficient appropriation to reimburse counties, beginning January 1, 2021, for costs associated with juveniles who were alleged to have violated a state or federal criminal law or any civil law or municipal ordinance at age 17. Provide $5,000,000 in 2020-21 as an estimate of the amounts that would distributed to counties for this purpose. Require DCF to consult with county representatives to determine eligible reimbursable expenses. [See "Corrections -- Juvenile Corrections."]

Joint Finance: Delete provision.

2. COST REIMBURSEMENT FOR ESTABLISHING SECURED RESIDENTIAL CARE CENTERS [LFB Paper 211]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,500,000	- $3,500,000	$0

Governor: Create an annual sum certain GPR appropriation for DCF to reimburse counties, beginning January 1, 2021, for one-time start-up costs incurred by a county, or a group of counties, in establishing a secured residential care center for children and youth. Provide $3,500,000 in 2020-21 for DCF to distribute to counties for this purpose. Require DCF to consult with county representatives to determine eligible reimbursable expenses. [See "Corrections -- Act 185 Implementation."]

Joint Finance: Delete provision.

3. YOUTH AIDS STAFFING AND TRAINING

	Funding	Positions
GPR	$574,000	1.00

Governor/Joint Finance: Provide $274,100 in 2019-20 and $299,900 in 2020-21 to provide training, performance monitoring, data collection, data analysis, and to establish standards of practice for the youth justice system. This item includes: (a) $77,500 in 2019-20 and $103,300 in 2020-21 to support 1.0 additional position, beginning in 2019-20; and (b) $196,600 annually to fund a contract with an external vendor for training county staff and to implement a validated risk/needs assessment tool to assist counties to assess each youth as part of the intake and referral process.

As part of administering youth aids, current law requires DCF to perform certain activities, including developing community based juvenile delinquency standards of practice, providing technical assistance to assist counties to implement these standards, and establishing information technology systems to monitor and evaluate the program. The 1.0 FTE position would support implementation of the data system, training, and standards of practice.

4. YOUTH AIDS STATUTORY CALENDAR YEAR ALLOCATIONS [LFB Paper 212]

Governor: Modify statutory provisions relating to the calendar year allocation of

community youth and family aids (youth aids) funding by updating calendar year references from previous years to calendar years 2019, 2020, and 2021. In addition, require DCF to consult with county representatives to determine modifications to the community youth and family aids formula.

Currently, the statutes specify how DCF must allocate youth aids funding, based on statutory funding amounts assigned to calendar years. These allocations are as follows: (a) youth aids funding appropriated in the biennium for distribution to counties ($65,235,100 GPR and $2,175,800 FED); (b) youth aids increases provided under 1999 Act 9 ($4,000,000 GPR), which are paid to counties according to a three-factor formula; (c) youth aids increases provided under 2001 Act 16 ($2,106,500 GPR), which are paid to counties according to the three-factor formula and an additional override factor; (d) youth aids funding earmarked for emergency funding and arrest supplements for small counties ($450,000 GPR); (e) youth aids funding earmarked for counties participating in the corrective sanctions program ($2,124,800 GPR), (f) youth aids funding earmarked for alcohol and other drug abuse treatment programs ($1,333,400 GPR; (g) youth aids increases provided under 2007 Act 20 ($12,500,000 GPR); and (h) youth aids increase associated with extending out-of-home placements to youth over the age of 18 as provided in 2015 Act 55 ($200,200 GPR), which are based on the proportional number of juveniles in correctional facilities during the most recent three-year period.

The bill provides no change to base funding for the program ($88,591,400 GPR and $2,175,800 FED annually).

Joint Finance: Adopt the Governor's recommendations, however, modify the statutory calendar year allocation to more accurately reflect the provided funding ($90,767,200).

Child Support

1. LOCAL CHILD SUPPORT ENFORCEMENT [LFB Paper 215]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,250,000	- $1,485,000	$765,000
FED	0	1,485,000	1,485,000
Total	$2,250,000	$0	$2,250,000

Governor: Provide $750,000 in 2019-20 and $1,500,000 in 2020-21 to increase state support for local administration of the child support enforcement program. Base GPR support for local child support enforcement programs is $8,500,000. With this increase, GPR support for the program would increase to $10,000,000 in calendar years 2020 and 2021. Local child support enforcement agencies operations are supported from several funding sources, including state GPR allocations, federal incentive payments, state medical support incentive payments, county funds,

and federal matching funds. Most administrative and enforcement costs incurred by counties are reimbursed by the federal government based on a federal financial participation (FFP) rate of 66% of eligible costs. If the funding increase provided under this item results in counties increasing their spending on child support activities, the state would claim additional federal matching funds. However, if the effect of the funding increase is to increase the state's share of child support enforcement costs and reduce local costs of these services by a corresponding amount, no additional federal funding would be claimed by the state.

Joint Finance: Modify the Governor's recommended funding to provide an increase of $750,000 ($255,000 GPR and $495,000 FED) in 2019-20 and $1,500,000 ($510,000 GPR and $990,000 FED) in 2020-21, to account for federal matching funds under Title IV-D of the Social Security Act.

2. CHILD SUPPORT CUSTODIAL PARENT FEE

PR-REV	$1,807,400

Governor: Increase the annual custodial parent fee for child support enforcement services from $25 to $35, effective January 1, 2020. All revenue DCF receives from the annual custodial parent fee is credited to a program revenue appropriation to support child support state operations. The administration estimates that the fee increase would increase fee collections by $774,600 in 2019-20 and $1,032,800 in 2020-21.

Prior to the enactment of the federal Bipartisan Budget Act of 2018 (P.L. 115-123), most custodial parents who received $500 or more per year in child support payments were required to pay a $25 custodial parent fee if the parent never received public assistance. The fee is subtracted from the support payment before the payment is sent to the custodial parent. P.L. 115-123 increased the annual fee to $35 and increased, from $500 to $550, the minimum amount a custodial parent must receive before the custodial parent fee is subtracted, effective October 1, 2018. (The federal legislation provided states a specified time by which states must enact the fee change if a statutory change was needed to comply with the federal requirement.)

Current state law automatically adopts the $550 collection amount threshold. However, this statutory change to the fee amount is necessary to comply with the federal legislation.

Joint Finance: Specify that the fee increase would take effect on October 1, 2019, rather than January 1, 2020.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $62,200
FED	980,400
PR	146,500
Total	$1,064,700

Governor/Joint Finance: Provide $487,200 (-$52,400 GPR,

$483,400 FED, and $56,200 PR) in 2019-20 and $577,500 (-$9,800 GPR, $497,000 FED, and $90,300 PR) in 2020-21 to reflect the following standard budget adjustments: (a) turnover reduction (-$299,100 GPR, -$93,200 FED, and -$284,600 PR annually); (b) full funding of continuing position salaries and fringe benefits (-$619,200 GPR, $545,000 FED, and $335,700 PR annually); (c) overtime ($736,800 GPR, $20,600 FED, and $4,200 PR annually); (d) night and weekend differential pay ($129,600 GPR, $11,300 FED, and $1,300 PR annually); (e) full funding of lease and directed moves costs (-$500 GPR, -$300 FED, and -$400 PR in 2019-20 and $42,100 GPR, $13,300 FED, and $33,700 PR in 2020-21); and (f) minor transfers within appropriations ($0).

These amounts do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the Wisconsin Works (W-2) program ($854,500 FED in 2017-18 and $883,400 FED in 2018-19), which are included in separate entries under "Economic Support and TANF-Funded Programs."

2. PROGRAM REVENUE AND FEDERAL APPROPRIATIONS ADJUSTMENTS

FED	$800,100
PR	10,381,100
Total	$11,181,200

Governor/Joint Finance: Provide $6,324,100 ($898,400 FED and $5,425,700 PR) in 2019-20 and $4,857,100 (-$98,300 FED and $4,955,400 PR) in 2020-21 to reflect the net effect of adjustments to several program revenue and federal appropriations, as summarized in the following table.

Program Revenue and Federal Appropriations Funding Adjustments

			2019-20			2020-21		
			Funding Change			Funding Change		
	Source	Base	This Item	Other Items	Total	This Item	Other Items	Total
Children and Family Services								
Social Services Block Grant -- Children and Family Aids	PR	$7,273,400	$96,000	$0	$7,369,400	$82,700	$0	$7,356,100
Domestic Abuse Grants -- Domestic Abuse Surcharge	PR	540,000	60,000	0	600,000	60,000	0	600,000
Federal Program Aids	FED	12,606,200	185,900	-389,400	12,402,700	-64,100	-389,400	12,152,700
Federal Project Operations	FED	1,035,300	-88,900	-97,400	849,000	-88,900	-97,400	849,000
Federal Project Aids	FED	3,234,600	-391,800	52,000	2,894,800	-391,800	52,000	2,894,800
Federal Programs -- Local Assistance (Title IV-E)	FED	8,073,200	1,868,600	0	9,941,800	1,868,600	0	9,941,800
Federal Programs -- Local Assistance (Non-Title IV-E)	FED	3,745,900	364,200	0	4,110,100	364,200	0	4,110,100
Federal Operations -- Milwaukee Child Welfare	FED	3,797,000	362,100	44,500	4,203,600	362,100	47,300	4,206,400
Federal Operations -- Foster Care and Adoption Assistance FED		9,727,700	629,100	341,600	10,698,400	629,100	356,000	10,712,800
Federal Operations -- Child Welfare	FED	773,500	-84,500	-43,700	645,300	-84,500	-43,700	645,300
Children and Family Aids -- Foster Care	FED	37,738,200	-133,700	330,500	37,935,000	106,300	405,200	38,249,700
Child Welfare -- Aids to Localities	FED	2,900,000	-96,000	0	2,804,000	-82,700	0	2,817,300
Interagency and Intra-Agency Aids	PR	500,000	-200,000	0	300,000	-360,400	0	139,600
Federal Projects -- Local Assistance	FED	3,495,000	-2,495,000	0	1,000,000	-3,495,000	0	0
Social Services Block Grant -- Operations	PR	2,163,800	-3,300	-135,300	2,025,200	-10,400	-135,300	2,018,100
Federal Aid -- Adoption Incentive Payments	FED	136,000	264,000	0	400,000	264,000	0	400,000
Economic Support								
Federal Project Activities and Administration	FED	1,035,300	243,200	-874,300	404,200	243,200	-874,300	404,200
Refugee Assistance -- Federal Funds	FED	5,630,000	288,600	67,500	5,986,100	288,600	67,500	5,986,100
Interagency and Intra-Agency Aids	PR	2,767,300	1,765,600	-3,700	4,529,200	1,765,600	-3,700	4,529,200
Community Services Block Grant	FED	8,663,100	-17,400	23,300	8,669,000	-17,400	23,300	8,669,000
General Administration								
Administrative and Support Services	PR	22,852,600	767,900	825,800	24,446,300	767,900	859,900	24,480,400
Interagency and Intra-Agency Aids	PR	14,786,400	3,200,000	0	17,986,400	3,200,000	0	17,986,400
Income Augmentation	PR	550,000	-260,500	0	289,500	-550,000	0	0
Totals								
FED			$898,400			-$98,300		
PR			5,425,700			4,955,400		
All Funds			$6,324,100			$4,857,100		

3. FUNDING AND POSITION REALIGNMENTS

	Funding	Positions
GPR	- $11,200	0.00
FED	- 1,059,000	- 3.20
PR	1,374,000	5.20
Total	$303,800	2.00

Governor/Joint Finance: Increase funding by $151,900 (-$5,600 GPR, -$529,500 FED, and $687,000 PR) annually, and reassign positions (-3.2 FED and 5.2 PR), beginning in 2019-20, to more accurately reflect the needs and organizational structure of DCF. The adjustments reflect salary, fringe, supplies and services, and positions. The net increase of 2.0 positions and associated funding shown in this item are offset in a separate entry under "Economic Support and TANF-Related Programs."

CIRCUIT COURTS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$212,485,800	$204,977,000	$208,577,000	$3,600,000	1.8%	- $3,908,800	- 1.8%
PR	465,400	465,400	465,400	0	0.0	0	0.0
TOTAL	$212,951,200	$205,442,400	$209,042,400	$3,600,000	1.8%	- $3,908,800	- 1.8%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	527.00	527.00	527.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $7,508,800

Governor/Joint Finance: Remove $3,754,400 annually for standard budget adjustments associated with full funding of continuing position salaries and fringe benefits. The adjustment reflects the net change associated with: (a) the difference between calculated salaries as of January 6, 2019, and adjusted base salary levels; and (b) application of the 2019-21 fringe benefit rate, which was calculated based on actual expenditures in 2017-18. Regarding the adjusted base, an increase of 8% for all current court employees was calculated in the base year. However, because the 2017-19 compensation plan applied this salary increase only to judges, the adjusted base included more funding than necessary.

2. CIRCUIT COURT AID PAYMENT

GPR	$3,600,000

Joint Finance: Provide $1,200,000 GPR in 2019-20 and $2,400,000 GPR in 2020-21 in the circuit court costs appropriation for court appointments made at county expense.

CORRECTIONS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,320,800,400	$2,472,275,000	$2,440,005,700	- $32,269,300	- 1.3%	$119,205,300	5.1%
FED	5,276,200	5,342,800	5,342,800	0	0.0	66,600	1.3
PR	226,384,800	235,858,000	234,975,900	- 882,100	- 0.4	8,591,100	3.8
TOTAL	$2,552,461,400	$2,713,475,800	$2,680,324,400	- $33,151,400	- 1.2%	$127,863,000	5.0%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	9,588.67	9,741.62	9,668.62	- 73.00	79.95
FED	3.00	1.00	1.00	0.00	- 2.00
PR	536.30	544.30	544.30	0.00	8.00
TOTAL	10,127.97	10,286.92	10,213.92	- 73.00	85.95

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 230]

	Funding	Positions
GPR	- $1,546,600	0.00
PR	2,117,200	0.00
FED	66,600	- 2.00
Total	$637,200	- 2.00

Governor/Joint Finance: Provide $348,400 (-$773,300 GPR, $1,058,600 PR, and $63,100 FED) and -2.0 positions in 2019-20 and $288,800 (-$773,300 GPR, $1,058,600 PR, and $3,500 FED) and -2.0 positions in 2020-21 related to the following standard budget adjustments.

	2019-20				2020-21			
	GPR	PR	FED	FTE	GPR	PR	FED	FTE
Full Funding of Salaries and Fringe Benefits	-$45,966,400	-$1,044,700	$241,800		-$45,966,400	-$1,044,700	$241,800	
Turnover Reduction	-11,506,600	-433,900			-11,506,600	-433,900		
Overtime	48,203,800	2,257,200			48,203,800	2,257,200		
Night and Weekend Differential Pay	8,495,900	280,000			8,495,900	280,000		
Removal of Noncontinuing Elements from the Base			-178,700	-2.00			-238,300	-2.00
Total	-$773,300	$1,058,600	$63,100	-2.00	-$773,300	$1,058,600	$3,500	-2.00

	Biennium			
	GPR	PR	FED	FTE
Full Funding of Salaries and Fringe Benefits	-$91,932,800	-$2,089,400	$483,600	
Turnover Reduction	23,013,200	-867,800		
Overtime	96,407,600	4,514,400		
Night and Weekend Differential Pay	16,991,800	560,000		
Removal of Noncontinuing Elements from the Base			-417,000	-2.00
Total	-$1,546,600	$2,117,200	$66,600	-2.00

Also included under standard budget adjustments are minor transfers of positions within appropriations to align the positions more closely to organization structure, including the transfer of 43.75 positions (42.0 GPR and 1.75 PR), as follows: (a) removing 29.0 positions from the Wisconsin Correctional Center System, 5.0 positions from the Division of Adult Institutions' Central Office, 3.0 positions from the Division of Juvenile Corrections' Central Office, 1.25 positions from the Division of Community Corrections, 1.0 position from Redgranite Correctional Institution, 1.0 position from the Racine Youthful Offender Correctional Facility, 1.0 position from Oshkosh Correctional Institution, 1.0 position from Racine Correctional Institution, 0.75 positions from the Monitoring Center, and 0.75 positions from Correctional Farms; and (b) transferring 7.0 positions to the Division of Adult Institutions' Central Office, 7.0 positions to Oshkosh Correctional Institution, 5.0 positions to Prairie du Chien Correctional Institution, 4.0 positions to the Wisconsin Women's Correctional System, 3.0 positions to Jackson Correctional Institution, 3.0 positions to Oakhill Correctional Institution, 3.0 positions to Columbia Correctional Institution, 3.0 positions to the Lincoln Hills School, 2.0 positions to the Division of Community Corrections, 2.0 positions to the Division of Community Corrections' Central Office, 2.0 positions to the Chippewa Valley Correctional Treatment Facility, 1.0 position to Kettle Moraine Correctional Institution, 1.0 position to the Office of Victim Services and Programs, and 0.75 positions to Badger State Industries.

It should also be noted that under standard budget adjustments, funding for overtime and night and weekend differential are removed in the calculations under "full funding of salaries and fringe benefits." Thus, the amounts budgeted for overtime represent the Department's estimated base cost for overtime. In addition to standard budget adjustment funding, the bill includes supplemental funding for overtime, summarized below.

2. OVERTIME SUPPLEMENT [LFB Paper 230]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$28,075,200	- $7,018,800	$21,056,400
PR	362,200	- 314,900	47,300
Total	$28,437,400	- $7,333,700	$21,103,700

Governor: Provide $14,037,600 GPR and $181,100 PR annually for an overtime supplement. Under standard budget adjustments each budget cycle, funding associated with overtime (and night and weekend differential) is removed in the calculations of full funding of salaries and fringe benefits. The budget instructions related to overtime specify that the same dollar amounts only may be restored through the standard budget adjustment for overtime. As a result, the bill would provide overtime funding in the amount provided for the prior biennium, adjusted by the new variable fringe rate ($48,203,800 GPR and $2,257,200 PR annually). Based on 2017-18 actual hours of overtime, the bill would provide supplemental funding of $14,037,600 GPR and $181,100 PR annually. The bill would provide $62,241,400 GPR and $2,438,300 PR annually to fund costs associated with overtime. [Note that program revenue funding associated with the Division of Juvenile Corrections ($448,700 PR annually) was inadvertently excluded from the overtime supplement and inadvertently included in the standard budget adjustments overtime.]

Joint Finance: Modify the provision by -$7,018,800 GPR and -$314,900 PR in 2020-21. In total, the bill as amended by Joint Finance would provide $62,241,400 GPR and $2,438,300 PR in 2019-20, and $55,222,600 GPR and $2,123,400 PR in 2020-21 for overtime funding.

3. DEBT SERVICE REESTIMATE

GPR	- $8,032,000
PR	- 31,400
Total	- $8,063,400

Governor/Joint Finance: Adjust funding by -$936,000 GPR and $1,300 PR in 2019-20 and -$7,096,000 GPR and -$32,700 PR in 2020-21 to reflect the current law reestimate of GPR debt services costs. The reestimates include: (a) adult corrections, -$951,300 GPR and $1,300 PR in 2019-20 and -$7,824,600 GPR and -$32,700 PR in 2020-21; and (b) juvenile corrections, $15,300 GPR in 2019-20 and $728,600 GPR in 2020-21.

4. RISK MANAGEMENT PREMIUM

GPR	$6,087,800
PR	984,000
Total	$7,071,800

Governor/Joint Finance: Provide $3,043,900 GPR and $492,000 PR annually for increased premium costs associated with liability, property, and workers compensation insurance coverage. The state's risk management program is an insurance program for state agencies administered by the Department of Administration (DOA). Each year, DOA assesses state agencies risk management premiums based generally on program costs, claims history, and risk exposure.

5. RENT

GPR	$508,000
PR	46,500
Total	$554,500

Governor/Joint Finance: Provide -$44,400 GPR and $8,200 PR in 2019-20 and $552,400 GPR and $38,300 PR in 2020-21 for rental costs on a departmentwide basis. Funding would be divided as follows: (a) Division of Management Services ($785,700 GPR and $18,800 PR in 2019-20 and $932,600 GPR and $39,100 PR in 2020-21); (b) Division of Adult Institutions ($56,700 GPR annually and $100 PR annually); (c) Division of Community Corrections (-$803,700 GPR and $1,400 PR in 2019-20 and -$354,000 GPR and $2,800 PR in 2020-21); (d) Secretary's Office ($100 GPR annually); (e) Parole Commission (-$82,300 GPR annually) and (f) Division of Juvenile Corrections (-$900 GPR and -$12,100 PR in 2019-20 and -$700 GPR and -$3,700 PR in 2020-21). Base funding for rent costs is $19,887,500 GPR and $1,253,100 PR.

6. FINGERPRINTING SCANNER MACHINES

GPR	$139,400

Governor/Joint Finance: Provide $125,800 in 2019-20 and $13,600 in 2020-21 for the replacement of current fingerprint scanner machines and the purchase of additional fingerprint scanner machines for both offender fingerprinting and employee fingerprinting. Funding includes: (a) $112,200 for the one-time purchase of 18 new scanners in 2019-20; and (b) $13,600 annually maintenance and repair.

7. REALIGNMENT OF POSITIONS -- ADULTS

	Positions
GPR	- 8.00
PR	8.00
Total	0.00

Governor/Joint Finance: Remove 8.0 GPR positions annually, provide 8.0 PR positions annually, and transfer funding and positions between appropriations related to realignment of departmental activities as follows:

Realignment of Funding and Positions

Appropriation	Program	Funding GPR	Funding PR	Positions GPR	Positions PR
General Program Operations	Bureau of Finance and Administrative Services			5.00	
Waupun Central Warehouse	Bureau of Finance and Administrative Services		-$231,300		-2.00
Correctional Farms	Bureau of Finance and Administrative Services		402,000		-1.00
Prison Industries	Bureau of Finance and Administrative Services		-170,700		-2.00
General Program Operations	Bureau of Technology Management			1.00	
Correctional Farms	Bureau of Technology Management		98,300		
Prison Industries	Bureau of Technology Management		-98,300		-1.00
General Program Operations	Badger State Industries			1.00	
Correctional Farms	Badger State Industries		97,500		
Prison Industries	Badger State Industries		-97,500		-1.00
General Program Operations	Correctional Farms			-16.00	
Correctional Farms	Correctional Farms				16.00
General Program Operations	Waupun Correctional Institution			1.00	
Correctional Farms	Waupun Correctional Institution		56,600		
Prison Industries	Waupun Correctional Institution		-56,600		-1.00
General Program Operations	Probation, Parole, and Extended Supervision	-$198,700		-2.00	
Services for Community Corrections	Probation, Parole, and Extended Supervision	-369,200		2.00	
Corrections Contracts and Agreements	Probation, Parole, and Extended Supervision	-9,391,500			
Services for Community Corrections	Division of Community Corrections' Central Office	567,900			
Corrections Contracts and Agreements	Division of Community Corrections' Central Office	9,391,500			
Home Detention Services	Division of Community Corrections' Central Office		27,700		
Sex Offender Management	Division of Community Corrections' Central Office		-909,100		
GPS Devices - Sex Offenders	Division of Community Corrections' Central Office		-6,200		
Home Detention Services	Monitoring Center		-27,700		
GPS Devices - Sex Offenders	Monitoring Center		6,200		
Sex Offender Management	Sex Offender Registry Program		909,100		
TOTAL		$0	$0	-8.00	8.00

8. PROGRAM REVENUE REESTIMATES -- ADULT CORRECTIONS

PR	$9,100,000

Governor/Joint Finance: Provide $4,050,000 in 2019-20 and $5,050,000 in 2020-21 associated with the funding adjustments identified in the table below. The table identifies the program revenue appropriations that would be affected by this item, by program area, the base funding amounts for these appropriations, the funding changes that would be made to these appropriations under this item and other items in the bill, and the total funding that would be budgeted for these purposes. Revenue for the programs identified below are generated from sales (Waupun central warehouse and Prison Industries), institutional canteen services, or from fees assessed to offenders in the adult correctional institutions, on community supervision, or on the sex offender registry (general operations; telephone commissions; probation, parole and extended supervision; and sex offender management).

Purpose	2018-19 Base	2019-20 Funding Items	2019-20 Other Budget Items	2019-20 Total	2020-21 Funding Items	2020-21 Other Budget Items	2020-21 Total
Waupun Central Warehouse	$7,651,100	$500,000	-$158,400	$7,992,700	$700,000	-$158,200	$8,192,900
Canteen Operations	374,100	600,000	3,600	977,700	600,000	3,600	977,700
Prison Industries	22,708,800	-2,750,000	-208,900	19,749,900	-2,250,000	-203,100	20,255,700
Sex Offender Management	909,100	200,000	0	1,109,100	200,000	0	1,109,100
Telephone Company Commissions	1,404,600	1,000,000	0	2,404,600	1,000,000	0	2,404,600
General Operations	5,445,900	1,500,000	13,600	6,959,500	1,800,000	13,600	7,259,500
Probation, Parole, Ext. Supervision	5,286,000	3,000,000	4,800	8,290,800	3,000,000	4,800	8,290,800
Total PR Reestimates		$4,050,000			$5,050,000		

Adult Correctional Institutions

1. ADULT CORRECTIONAL FACILITY POPULATIONS [LFB Paper 235]

Governor: Estimate an average daily population in adult correctional facilities and contract beds of 24,187 in 2019-20 and 24,659 in 2020-21. The following table identifies the estimated distribution of this population.

	March 15, 2019 Actual Population	Average Daily Population 2019-20	Average Daily Population 2020-21
Institutions*	20,601	20,534	20,583
Centers	2,530	2,791	2,791
Contract Beds**	549	862	1,285
Total	23,680	24,187	24,659

*Includes inmates placed at the Wisconsin Resource Center, operated by DHS (416 on March 15, 2019, and 386 for 2019-20 and 2020-21).

**Contract bed populations include inmates held in federal facilities and in Wisconsin county jails.

Joint Finance: Reestimate the average daily population in adult correctional facilities and contract beds to 23,992 in 2019-20 and 24,354 in 2020-21. The following table identifies the estimated distribution of this population.

	Reestimated Average Daily Population		Change from Bill	
	2019-20	2020-21	2019-20	2020-21
Institutions	20,518	20,518	-16	-65
Centers	2,791	2,791		
Contract Beds*	683	1,045	-179	-240
Total	23,992	24,354	-195	-305

*Contract bed populations include inmates held in federal facilities (28 beds annually) and in Wisconsin county jails (655 beds in 2019-20 and 1,017 beds in 2020-21).

2. POPULATION AND INFLATIONARY COST INCREASES -- ADULTS [LFB Paper 235]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$74,453,300	- $593,100	$73,860,200

Governor: Provide $32,073,700 in 2019-20 and $42,379,600 in 2020-21 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) $699,000 in 2019-20 and $1,315,400 in 2020-21 for food costs; (b) $3,323,500 in 2019-20 and $3,374,900 in 2020-21 for variable non-food costs, such as clothing, laundry, inmate wages, and other supplies; and (c) $28,051,200 in 2019-20 and $37,689,300 in 2020-21 for inmate health care. Funding for inmate health services assumes that per capita inmate costs would increase from an estimated $4,282 in 2018-19 to $4,651 in 2019-20 and $5,053 in 2020-21. Health care costs include pharmaceutical costs, third party administrator costs, on-site contracted health staff, and contracting costs with the University Hospital and Clinics, the UW Medical Foundation, Waupun Memorial Hospital, and other community hospitals.

Joint Finance: Modify the provision by -$111,700 in 2019-20 and -$481,400 in 2020-21. This reduction includes: (a) -$20,400 in 2019-20 and -$84,500 in 2020-21 for food costs; (b) -$16,900 in 2019-20 and -$68,500 in 2020-21 for variable non-food costs; and (c) -$74,400 in 2019-20 and -$328,400 in 2020-21 for inmate health care.

3. PRISON CONTRACT BED FUNDING [LFB Papers 235 and 408]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$24,828,400	- $10,048,800	$14,779,600

Governor: Provide $8,425,300 in 2019-20 and $16,403,100 in 2020-21 for prison contract beds. The bill projects a total need of 1,367 contract beds in 2019-20 and 1,790 contract beds in

2020-21. Included in the number of contract beds are approximately 500 beds the Division of Community Corrections would use for extended supervision sanctions and 33 beds the Department would use for inmates in federal facilities, adult inmates in Division of Juvenile Corrections facilities, and temporary lock-ups of inmates from correctional centers. The total bed projection also assumes that the Milwaukee House of Corrections will be used for 180 inmates annually. Base funding for the contract bed appropriation is $21,498,100 GPR.

Joint Finance: Modify the provision by -$4,451,500 in 2019-20 and -$5,597,300 in 2020-21. This reduction includes: (a) -$3,362,100 in 2019-20 (-179 beds) and -$4,507,900 in 2020-21 (-240 beds) for contract bed reestimates; and (b) -$1,089,400 annually for a reduction in 58 beds annually due to the Wisconsin Resource Center expansion. [See "Health Services -- Care and Treatment Services."]

4. FUEL AND UTILITIES [LFB Paper 236]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,979,100	- $1,005,000	$1,974,100

Governor: Provide $1,226,400 in 2019-20 and $1,752,700 in 2020-21 associated with estimated funding for fuel and utilities in adult correctional institutions. Current base funding for the fuel and utilities appropriation is $25,438,700.

Joint Finance: Modify the provision by -$502,500 annually to reflect a correction to the fuel and utilities cost estimate for Corrections' adult institutions.

5. BARRACKS OPERATION AND STAFFING [LFB Paper 237]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$6,056,400	72.00	- $6,056,400	- 72.00	$0	0.00

Governor: Provide $6,056,400 and 72.0 positions in 2020-21 for the operation and staffing of two 144-bed barracks units located at Jackson Correctional Institution in Jackson County and one 144-bed barracks unit located at Taycheedah Correctional Institution in Fond du Lac County. Jackson Correctional Institution would have $3,936,900 and 46.0 positions, including: 30.0 correctional officers, 9.0 nurses, 2.0 social workers, 2.0 teachers, 1.0 psychologist, 1.0 food service leader, and 1.0 sentencing associate. Taycheedah Correctional Institution would have $2,119,500 and 26.0 positions, including: 15.0 correctional officers, 6.0 nurses, 1.0 psychologist, 1.0 social worker, 1.0 teacher, 1.0 food service leader, and 1.0 sentencing associate. If approved as a part of the Capital Budget, each barrack will house 144 inmates.

Joint Finance: Delete provision.

6. RACINE CORRECTIONAL INSTITUTION HEALTH SERVICES UNIT EXPANSION [LFB Paper 238]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$3,869,700	26.95	- $172,700	0.00	$3,697,000	26.95

Governor: Provide $1,045,300 in 2019-20 and $2,824,400 in 2020-21 and 26.95 positions annually for expansion of the health services unit at Racine Correctional Institution. Staffing includes: 5.25 correctional officers, 9.90 nurse clinicians, 6.60 licensed practical nurses, 2.80 medical program assistants, 1.0 physical therapy assistant, 0.60 dentist, 0.2 dental hygienist, and 0.60 dental assistant. The health services unit is expected to open in April, 2020.

Joint Finance: Modify the provision by -$57,600 in 2019-20 and -$115,100 in 2020-21 to account for expected overtime savings associated with offsite medical visits.

7. STAFFING FOR COLUMBIA CORRECTIONAL INSTITUTION [LFB Paper 238]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$1,090,100	11.75	- $31,800	0.00	$1,058,300	11.75

Governor: Provide $489,800 in 2019-20 and $600,300 in 2020-21 and 11.75 positions annually to provide additional staff for the new restrictive housing program building and for the expansion of the health services unit (HSU) at Columbia Correctional Institution. Funding includes: (a) $588,500 in 2019-20 and $673,300 in 2020-21 to fund 9.0 correctional officer positions for the health services unit; (b) $115,200 in 2019-20 and $131,600 in 2020-21 to fund 1.75 correctional officer positions for the restrictive housing program building; (c) $60,600 in 2019-20 and $71,600 in 2020-21 to fund 1.0 social worker position for the restrictive housing program building; (d) $26,600 in 2019-20 and $24,900 in 2020-21 associated with staff supplies and services (one-time radio purchases for security posts, ongoing costs for radios, and night and weekend differential salary and fringe); and (e) -$301,100 annually for a reduction in overtime.

The restrictive housing program building and the health services unit expansion aim to address the high proportion of inmates with complex health needs and inmates in restrictive housing. The new HSU and the expansion of restricted housing were authorized under 2013 Act 20. The expanded health services unit opened in September, 2018; the restrictive housing facility opened in April, 2019.

Joint Finance: Modify the provision by -$10,600 in 2019-20 and -$21,200 in 2020-21 to

account for expected overtime savings associated with offsite medical visits.

8. FULL FUNDING OF COLUMBIA CORRECTIONAL INSTITUTION HEALTH SERVICES UNIT

GPR	$75,200

Governor/Joint Finance: Provide $37,600 annually to fund non-salary costs funded for a partial year in 2018-19 associated with the expansion of the health services unit at Columbia Correctional Institution.

9. WISCONSIN SECURE PROGRAM FACILITY PROGRAMMING EXPANSION [LFB Paper 238]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$420,900	11.25	- $18,800	- 1.00	$402,100	10.25

Governor: Provide $420,900 and 11.25 positions in 2020-21 for a new inmate programs building at the Wisconsin Secure Program Facility (WSPF). The inmate programs building was enumerated in 2017 Act 59 to add space for a gymnasium, programming, education, and religious services. Funding for operational costs include: (a) $259,100 for 8.25 correctional officers; (b) $22,900 for 1.0 teacher; (c) $37,800 for 2.0 recreation leaders; and (d) $101,100 for institutional supplies and services. The building is expected to open in April, 2021. On an annualized basis, expansion of WSPF programming, as requested, is estimated to cost $948,000.

Joint Finance: Modify the provision by -$18,800 and -1.0 position in 2020-21 associated with the removal of 1.0 recreation leader position.

10. FULL FUNDING OF OSHKOSH CORRECTIONAL INSTITUTION HEALTH SERVICES UNIT

GPR	$189,200

Governor/Joint Finance: Provide $94,600 annually to fund non-salary costs funded for a partial year in 2018-19 associated with the expansion of the health services unit at Oshkosh Correctional Institution.

11. INSTITUTIONAL REPAIR AND MAINTENANCE

GPR	$904,000

Governor/Joint Finance: Provide $357,200 in 2019-20 and $546,800 in 2020-21 for repair and maintenance costs associated with services and materials for adult institutions.

12. TECHNICAL MOBILE LABS [LFB Paper 240]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$880,000	- $880,000	$0

Governor: Provide $440,000 annually to support technical mobile labs, including: $200,000 annually for updating and replacing program equipment and $240,000 annually for instructional costs at two technical mobile lab sites, anticipated to open in spring, 2019 (one welding mobile lab to be shared between Taycheedah Correctional Institution and Kettle Moraine Correctional Institution and one electrical/mechanical mobile lab to be shared between Jackson Correctional Institution and New Lisbon Correctional Institution). A mobile lab is a self-contained classroom inside a trailer located on institution grounds. The welding mobile lab would train eight students in each cohort, with a total of three cohorts per year. The electrical/mechanical mobile lab would train 12 students in each cohort, with a total of three cohorts per year. The Department currently operates one computer numerical control (CNC) mobile lab located at Racine Correctional Institution. In 2017-18, 23 students earned a 16-credit CNC Operator Certification from Gateway Technical College in the CNC mobile lab.

Joint Finance: Delete provision. Require instead that the Department of Workforce Development provide $200,000 in 2019-21 and $320,000 in 2020-21 in Fast Forward grant funding for this item. [See "Workforce Development -- Employment and Training."]

13. WINDOWS TO WORK EXPANSION [LFB Paper 241]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $100,000	$400,000

Governor: Provide $250,000 annually to expand the Windows to Work program to include the Racine Youthful Offender Correctional Facility, increase programming at Kettle Moraine Correctional Institution and the Milwaukee Secure Detention Facility, and increase services to individuals returning to Milwaukee County. These expansions would result in having Windows to Work programming at every medium and minimum security prison throughout Wisconsin. The Windows to Work program is a pre- and post-release program designed to address criminogenic needs that can lead to recidivism. While still incarcerated, inmates participate in programming including cognitive intervention, general work skills and expectations, financial literacy, community resources, job seeking, applications and resumes. Post-release includes assistance in job search and job retention activities for approximately 12 months after release. In 2017-18, the Windows to Work program had 507 newly enrolled participants, and an average daily population of 450 participants. The program is currently budgeted at $1,492,200.

Joint Finance: Reduce funding by $50,000 annually.

14. INSTITUTIONAL JOB CENTERS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$150,000	- $150,000	$0

Governor: Provide $75,000 annually to support supplies and services (including the purchase of furniture, computers, whiteboard installations, ceiling fans, and wiring infrastructure) for two new institution-based job centers in 2019-20 and two additional new job centers in 2020-21. The locations for the new job centers have not been determined. Institution based job centers help prepare inmates to search, apply, and prepare for post-release employment. Staffing is provided by the local workforce development boards and the Department of Workforce Development. The Department of Corrections anticipates that each center will serve 30 to 50 inmates per month. The Department currently has one institutional job center located at Oakhill Correctional Institution.

Joint Finance: Delete provision. Require instead that the Department of Workforce Development provide $225,000 in 2019-20 and $262,500 in 2020-21 in Fast Forward grant funding for this item. This funding is intended to allow the Department of Corrections to operate job centers in all minimum- and medium-security institutions. [See "Workforce Development -- Employment and Training."]

15. VEHICLE REPLACEMENT

GPR	$479,000

Governor/Joint Finance: Provide $374,500 in 2019-20 and $104,500 in 2020-21 for the replacement of buses, including: $270,000 in 2019-20 for three Division of Adult Institutions handicap minibuses and $104,500 annually for lease payments.

16. LOCAL LAW ENFORCEMENT REIMBURSEMENT FOR CERTAIN VILLAGES

GPR	$120,000

Joint Finance: Provide $60,000 annually to the Department of Corrections' general program operations appropriation to reimburse villages with maximum-security correctional institutions for actual expenses associated with providing local law enforcement investigation services to institutions. This provision only applies to the Village of Allouez and the Green Bay Correctional Institution.

17. NEW MAXIMUM-SECURITY CORRECTIONAL FACILITY

Joint Finance: As part of the 2019-21 capital budget, provide $5,000,000 of general fund supported borrowing for land acquisition, utility extensions, and a request for proposal for a new maximum security correctional facility to replace the Green Bay Correctional Institution in the 2019-21 building program. Enumerate this project at a total cost of $5,000,000. Require that land acquisition

would occur no later than December 1, 2020, and that utility extensions would occur no later than October 1, 2021. Require the Building Commission to authorize, in its recommendations for the 2021-23 building program, a specific amount of additional general fund supported borrowing sufficient to complete construction of the correctional facility enumerated under this item. [See "Building Program."]

Community Corrections

1. EXPANSION OF OPENING AVENUES TO REENTRY SUCCESS [LFB Paper 245]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,828,100	- $5,432,100	$2,396,000

Governor: Provide $3,926,500 in 2019-20 and $3,901,600 in 2020-21 to expand the Opening Avenues to Reentry Success (OARS) program statewide and to increase the number of participants in each county. The OARS program began as a pilot program in 2011, providing intensive case management and mental health services to serious mentally ill offenders. To qualify for participation, an offender must: (a) volunteer for participation; (b) be referred to the program by Correctional staff; (c) be assessed at medium- or high-risk to reoffend; (d) be diagnosed with a serious mental illness; (e) have at least six months of post-release supervision remaining on their sentence; and (f) be in a county where OARS programming is provided (currently 44 counties). Services are provided based on each offender's needs and may include intensive case management and supervision, assistance with obtaining and maintaining safe affordable housing, resources for medication and access to psychiatric care, treatment addressing criminogenic needs, access to local transportation, budgeting, and financial resources, employment, and education. In 2017-18, the OARS program had 306 participants, with an average daily population of 164 participants. The additional funding is intended to allow for an average daily population of 400 participants. The program is currently budgeted at $2,930,400. [See "Health Services -- Care and Treatment Services."]

Joint Finance: Modify the provision by -$2,728,500 in 2019-20 and -$2,703,600 in 2020-21. Funding provided would include the following: (a) $330,000 annually to expand OARS to seven additional counties; and (b) $868,000 annually to expand the average daily population by 50 individuals.

2. SEX OFFENDER TRACKING [LFB Paper 246]

	Funding	Positions
GPR	$4,748,100	39.00
PR	40,300	0.00
Total	$4,788,400	39.00

Governor/Joint Finance: Provide $1,593,100 GPR, $10,900 PR, and 24.0 GPR positions in 2019-20 and $3,155,000

GPR, $29,400 PR, and 39.0 GPR positions in 2020-21 to supervise increased sex offender populations under the authority of the Division of Community Corrections. Staffing for sex offender tracking includes: 12.0 positions for probation, parole, and extended supervision in 2019-20 (including 7.0 probation and parole agents) and 23.0 positions for probation, parole, and extended supervision in 2020-21 (including an additional 8.0 probation and parole agents), 6.0 positions annually for the sex offender registry program, and 6.0 positions for the monitoring center in 2019-20 and 10.0 positions for the monitoring center in 2020-21. The Governor's funding and staffing recommendations are based on an estimated annual admissions increase in the sex offender population requiring global positioning system monitoring of 167 individuals 2019-20 and an additional 215 individuals in 2020-21. As of July 1, 2018, the Department was maintaining lifetime GPS tracking for 997 individuals and was utilizing GPS tracking (non-lifetime) for 480 individuals, for a total of 1,477.

3. GLOBAL POSITIONING SYSTEM (GPS) TRACKING REESTIMATE

GPR	$310,600
PR	15,400
Total	$326,000

Governor/Joint Finance: Provide $155,300 GPR and $7,700 PR annually to fund non-salary costs funded for a partial year in 2018-19 associated with global positioning system tracking.

4. REPEAL PARDON AND RELEASE REPORTING REQUIREMENT

Governor: Repeal the provision created in 2017 Act 369 that requires the Department, at the request of the Legislature, to post on its website and submit to the Chief Clerk of each house of the Legislature a report regarding individuals who, since the previous report was submitted or during a date range specified in the request, were pardoned or released from prison without completing the imprisonment portion of their sentence. The report requires identification of the individual's name, the crime for which he or she was convicted, and the name of the person who pardoned the individual or authorized the release of the individual before the individual competed his or her sentence. In addition, if an individual appearing on a report under the provision is convicted of a crime, the report requires identification of the individual's name and crime.

Joint Finance: Delete provision.

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES [LFB Paper 252]

Governor: Under the bill, the juvenile correctional facility average daily population (ADP) is estimated to be 181 annually as shown in the table below. The juvenile facilities include Lincoln Hills School (LHS) (males), Copper Lake School (CLS) (females), the Mendota Juvenile

Treatment Center (MJTC), and the Grow Academy, an agriculture science-based experiential education program held at a facility in Oregon, Wisconsin.

Facilities	Mar. 15, 2019 Actual Population	Average Daily Population 2019-20	2020-21
Lincoln Hills School	133	131	131
Copper Lake School	13	15	15
Mendota Juvenile Treatment Center	24	29	29
Grow Academy	3	6	6
Total Juvenile Correctional Facility	173	181	181

Joint Finance: Reestimate the juvenile ADPs to be 169 annually at the juvenile correctional facilities.

Facilities	Reestimated ADPs 2019-20	2020-21
Lincoln Hills School	122	122
Copper Lake School	17	17
Grow Academy	5	5
Mendota Juvenile Treatment Center	25	25
Total Juvenile Correctional Facility	169	169

2. STATUTORY DAILY RATES [LFB Paper 254]

Governor: Provide the following statutory daily rates to be established for juvenile correctional services provided or purchased by the Department that would be charged to counties or paid by the state through the serious juvenile offender appropriation. The bill would specify two daily rates for 2020-21 due to PR funding associated with 14 additional beds at Mendota Juvenile Treatment Center which are scheduled to open in January, 2021.

	Statutory Rates	Governor		
	7-1-18 thru 6-30-19	7-1-19 thru 6-30-20	7-1-20 thru 12-31-20	1-1-21 thru 6-30-21
Juvenile Correctional Facilities*	$397	$501	$513	$588

*Includes: (a) transfers from a juvenile detention facility to the Mendota Juvenile Treatment Center; and (b) youth under 18 with adult sentences.

Under current law, daily rates for juvenile care in a given biennium are specified in statute by fiscal year for juvenile correctional facilities. Further, the daily rate for the juvenile correctional facilities currently includes a $6 add-on to address the juvenile operations appropriation deficit.

Joint Finance: Reestimate the daily rates as identified in the below table. The reestimated rates are based on: (a) updated juvenile population projections; and (b) incorporating Committee actions identified in the subsequent summary entries. Further, maintain a $6 add-on to the daily rates

for the juvenile correctional facilities to address the juvenile operations appropriation deficit.

	2019-20	7-1-20 thru 12-31-20	1-1-21 thru 6-30-21
Juvenile Correctional Facilities	$532	$550	$615

3. SERIOUS JUVENILE OFFENDER FUNDING [LFB Paper 254]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $3,519,300	- $1,565,300	- $5,084,600

Governor: Reduce funding by $2,914,200 in 2019-20 and $605,100 in 2020-21 related to provide juvenile institution care, alternate care, and community supervision for serious juvenile offenders (SJO). Decreased costs are associated with a decrease in the estimated average daily population (ADP). The estimated ADP for the SJO population would be 116 in 2019-20 and 104 in 2020-21. Base funding for the program is $19,077,000 GPR annually. In January, 2019, SJO had an average ADP of 113 juveniles. The following ADPs for the SJO appropriation, are projected for the 2019-21 biennium:

Average Daily Population

	Serious Juvenile Offenders	
Type of Care	2019-20	2020-21
Juvenile Corrections Facilities	45	58
Community Supervision Program	71	46
Total ADP	116	104
Alternate Care*	31	20

* A subset of the community supervision program (corrective sanctions and aftercare supervision) program that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

Joint Finance: Decrease funding by -$886,200 in 2019-20 and -$679,100 in 2020-21 as a result of reestimated populations and statutory daily rates. The following ADPs for the SJO appropriation, are projected for the 2019-21 biennium:

Reestimated SJO Average Daily Population

Type of Care	Serious Juvenile Offenders 2019-20	2020-21
Juvenile Corrections Facilities	38	52
Community Supervision Program	72	46
Total ADP	110	98
Alternate Care [1]	31	20

[1] A subset of the community supervision program (corrective sanctions and aftercare supervision) program that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

4. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE [LFB Paper 255]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$3,237,000	- $449,100	$2,787,900

Governor: Provide $291,500 in 2019-20 and $2,945,500 in 2020-21 related to payments to the Department of Health Services (DHS) for juveniles placed at the Mendota Juvenile Treatment Center. Increase the statutorily specified amount of funding Corrections is required to transfer to DHS from $2,932,600 in 2018-19 to $3,224,100 in 2019-20 and $5,878,100 in 2020-21. The Department contracts with DHS for 29 mental health beds for juveniles. Starting January 1, 2021, funding would support an additional 14 beds.

Joint Finance: Modify the statutory transfer amount to require a PR transfer of $2,496,400 in 2020-21 to reflect a reduction of position authority associated with the 14 bed expansion in 2020-21. Decrease funding in Corrections' juvenile correctional services appropriation by -$449,100 PR in 2020-21 to reflect the reestimate.

5. POPULATION AND INFLATIONARY COSTS [LFB Paper 252]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$250,600	- $118,100	$132,500

Governor: Modify population-related funding for juvenile corrections by $54,300 in 2019-20 and $196,300 in 2020-21, as follows: (a) -$113,400 in 2019-20 and -$107,000 in 2020-21 for food costs at juvenile correctional facilities; (b) -$52,000 annually for variable non-food costs (such as clothing, laundry, and personal items); and (c) $219,700 in 2019-20 and $355,300 in 2020-21 for juvenile health costs.

Joint Finance: Decrease funding by $55,200 in 2019-20 and $62,900 in 2020-21 as a result of reestimated juvenile population projections.

6. JUVENILE PROGRAM REVENUE REESTIMATES

PR	- $6,648,600

Governor/Joint Finance: Reduce funding by $3,454,400 in 2019-20 and $3,194,200 in 2020-21 associated with the funding adjustments identified in the table below. The table identifies the reason for the reestimate, base funding amounts for these appropriations, funding changes, and the total funding that would be budgeted as a result of the reestimates.

		2019-20		2020-21	
Reason	2018-19 Base	Funding Adjustment	Total	Funding Adjustment	Total
Salary and Fringe	$30,426,200	-$263,000	$30,163,200	-$263,000	$30,163,200
Residential Aftercare	7,763,400	-3,163,800	4,599,600	-2,911,300	4,852,100
Utilities and Heating	367,900	-27,600	340,300	-19,900	348,000
Total PR Reestimates		-$3,454,400		-$3,194,200	

7. AGE OF JUVENILE JURISDICTION

Governor: Modify current law, effective January 1, 2021, to specify that persons who have not attained the age of 18 years to be subject to the procedures specified in the Juvenile Justice Code and, on being adjudicated delinquent, subject to an array of dispositions under that code including placement in a juvenile correctional facility. Similarly, modify from 17 to 18 the age at which a person who is alleged to have violated a civil law or municipal ordinance is subject to the jurisdiction and procedures of the circuit court or, if applicable, the municipal court.

Under current law, a person 17 years of age or older who is alleged to have violated a criminal law is subject to adult procedures and sentencing under the Criminal Code, which may include a sentence of imprisonment in the Wisconsin state prisons. Subject to certain exceptions, a person under 17 years of age who is alleged to have violated a criminal law is subject to the procedures specified in the Juvenile Justice Code and, on being adjudicated delinquent, is subject to an array of dispositions under that code including placement in a juvenile correctional facility. Similarly, under current law, a person 17 years of age or older who is alleged to have violated a civil law or municipal ordinance is subject to the jurisdiction and procedures of the circuit court or, if applicable, the municipal court, while a person under 17 years of age who is alleged to have violated a civil law or municipal ordinance, subject to certain exceptions, is subject to the jurisdiction and procedures of the court assigned to exercise jurisdiction under the Juvenile Justice Code. [For information on funding provided to counties associated with the age of juvenile jurisdiction, see "Children and Families -- Youth Services -- Juvenile Justice."]

Joint Finance: Delete provision.

8. YOUTH WITH ADULT SENTENCES CONTRACT BED FUNDING [LFB Paper 254]

GPR	$683,500

Joint Finance: Increase contract bed funding by $96,600 in 2019-20 and $586,900 in 2020-21 for an estimated 24 youthful adult offenders placed in juvenile facilities as a result of the modification in the daily rate. Total funding would be $4,506,200 in 2019-20, and $5,098,300 in 2020-21. Base funding was $5,071,700 annually (for 35 youth).

2017 Act 185 Implementation

Under 2017 Act 185, the Department of Corrections is required to establish new Type 1 juvenile correctional facilities by January 1, 2021, subject to the approval of the Joint Finance Committee (JFC). The act also authorized $25 million in bonding for the new facilities. The Department of Health Services (DHS) is required to expand the Mendota Juvenile Treatment Center (MJTC), subject to the approval of JFC, and $15 million in bonding for the expansion is authorized. Further, Act 185 requires the state to close the Lincoln Hills School and Copper Lake School by January 1, 2021, and authorizes Corrections to convert those facilities into an adult correctional facility. Changes under the bill to Act 185 provisions related to Corrections are summarized below.

In addition, under Act 185 counties are authorized to establish secured residential care centers (SRCCs) and authorized $40 million in bonding. Further, Act 185 creates a grant program under which counties may apply by March 31, 2019, for state funding towards the cost of establishing or constructing SRCCs.

Once the SRCCs are established, the supervision of a juvenile under a correctional placement would transfer to the county department of human services or social services (county department) of the county in which the juvenile was adjudicated delinquent. Further, Act 185 expands the authorized uses of youth aids for program costs in juvenile detention facilities and SRCCs. Under Act 185, counties operating SRCCs could be eligible for a bonus payment from a new appropriation to offset a portion of their operating costs, and counties operating female SRCCs could qualify for additional funding to offset operating losses.

The following agencies were required to include in their 2019-21 agency budget requests costs associated with Act 185: (a) DHS included the cost for staffing, operating, and maintaining the expansion of the Mendota Juvenile Treatment Center; (b) Corrections included the cost for staffing, operating, and maintaining the new Type 1 juvenile correctional facilities constructed or established; and (c) the Department of Children and Families (DCF) included the cost to provide bonuses to counties that operate a joint SRCC.

Under the bill, various provisions relating to Act 185 are modified. Summaries of these modifications can be found under each agency.

1. DEPARTMENT OF CORRECTIONS -- JUVENILE JUSTICE PROVISIONS [LFB Paper 251]

Governor: Modify Act 185 in the following ways:

Juvenile Corrections Grant Committee. Act 185 formed a juvenile corrections grant committee to evaluate applications from counties to construct SRCC's, which included 10 members of which three are to be appointed from each house of the Legislature. Under the bill, one member appointed from each house would be required to be a member of the minority party. In addition, the grant committee termination date of January 1, 2021 would be removed and instead the committee would terminate when all grants are completed.

Grant Application Deadlines. Under the bill, the grant program deadlines would be extended by three months, so that county applications would be due by June 30, 2019, and grant committee plan recommendations would be due to the Joint Committee on Finance by October 1, 2019. Under Act 185, grant applications are due by March 31, 2019, and plan recommendations must be submitted to the Joint Committee on Finance by July 1, 2019.

New County and State Facility and Closure of Lincoln Hills Deadlines. Under the bill, the January 1, 2021, deadline for closing Lincoln Hills and Copper Lake schools and for constructing the new SRCCCYs and new state-run juvenile correctional facility would be removed. Instead, Corrections would transfer juveniles as soon as a substitute placement that meets the needs of the juvenile are ready. Once all juveniles are transferred to SRCC's or the new state facility, Lincoln Hills would be closed.

Act 185 requires the current juvenile correctional facility owned and operated by the Department of Corrections (Lincoln Hills and Copper Lake schools) to be closed no later than January 1, 2021, or when all of the juveniles that are held there are transferred to the new county-run SRCCCYs or a new state-run juvenile correctional facility.

Grandfathered Juvenile Detention Facilities. Under the bill, the provision describing limitations on the population and alteration of county juvenile detention facilities is repealed and then recreated on the date that Corrections sends notice to the Legislature that Lincoln Hills is closed rather than January 1, 2021.

Juvenile Corrections Study Committee. Under the bill, the 25-member juvenile study committee termination date of January 1, 2021, would be removed. Instead, the Committee would terminate when all juvenile corrections grants are completed.

Approval of Individual Grants. Under the bill, before the submission of the statewide plan on October 1, 2019, to JFC, the Juvenile Corrections Grant Committee may submit individual grant recommendations to JFC which would be reviewed a 14-day passive review process.

Joint Finance: Delete provisions.

2. COUNTY SRCC GRANTS

Joint Finance: Transfer bonding authority in 2017 Act 185 for Corrections ($25 million) and Health Services mental health facilities ($15 million) to the bonding authorized for grants to counties for the construction of SRCCs. Bonding for this purpose is increased from $40 million to $80 million. The Corrections Type 1 facility and MJTC projects remain enumerated but with $0 bonding authority. [See "Building Program."]

COURT OF APPEALS

Budget Summary							
				Joint Finance Change to:			
				Governor		Base	
Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Amount	Percent	Amount	Percent
GPR	$23,558,600	$22,682,400	$22,682,400	$0	0.0%	- $876,200	- 3.7%

FTE Position Summary					
		2020-21	2020-21	Joint Finance Change to:	
Fund	2018-19 Base	Governor	Jt. Finance	Governor	2018-19 Base
GPR	75.50	75.50	75.50	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $876,200

Governor/Joint Finance: Remove $438,100 annually for standard budget adjustments associated with full funding of continuing position salaries and fringe benefits. The adjustment reflects the net change associated with: (a) the difference between calculated salaries as of January 6, 2019, and adjusted base salary levels; and (b) application of the 2019-21 fringe benefit rate, which was calculated based on actual expenditures in 2017-18. Regarding the adjusted base, an increase of 8% for all current court employees was calculated in the base year. However, because the 2017-19 compensation plan applied this salary increase only to judges, the adjusted base includes more funding than necessary.

DISTRICT ATTORNEYS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$89,571,200	$93,999,300	$93,165,000	- $834,300	- 0.9%	$3,593,800	4.0%
PR	6,456,800	7,103,800	7,803,800	700,000	9.9	1,347,000	20.9
TOTAL	$96,028,000	$101,103,100	$100,968,800	- $134,300	- 0.1%	$4,940,800	5.1%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	384.45	418.05	414.05	- 4.00	29.60
PR	47.00	36.50	40.50	4.00	- 6.50
TOTAL	431.45	454.55	454.55	0.00	23.10

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	- $2,282,000	- 0.40
PR	1,887,700	- 3.00
Total	- $394,300	- 3.40

Governor/Joint Finance: Provide adjustments to the base totaling -$1,133,900 GPR, and $1,069,200 PR in 2019-20, and -$1,148,100 GPR and -0.4 GPR position, and $818,500 PR, and -3.0 PR positions in 2020-21. Adjustments are for: (a) turnover reduction (-$954,500 GPR annually); (b) removal of non-continuing elements from the base (-$14,300 GPR and -$35,800 PR and in 2019-20 and -$28,500 GPR and -0.4 GPR position and -$286,500 PR and -3.0 PR positions in 2020-21); (c) full funding of continuing position salaries and fringe benefits (-$344,800 GPR and $1,105,000 PR annually); (d) reclassifications and semiautomatic pay progression ($85,200 GPR annually); and (e) night and weekend differential pay ($94,500 GPR annually).

2. PAY PROGRESSION [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,225,300	- $134,300	$1,091,100

Governor: Provide $307,300 in 2019-20 and $918,000 in 2020-21 to support pay progression for assistant district attorneys (ADAs) and deputy district attorneys (DDAs). The ADA and DDA pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one seventeenth of the difference between the lowest annual salary ($52,291) and the highest annual salary ($126,339). The value of one hourly salary step equals $4,356 annually. Notwithstanding the creation of a 17 hourly salary step pay progression plan, supervising DAs are authorized to: (a) deny annual salary increases to individual ADAs and DDAs; and (b) increase the salary of individual ADAs and DDAs by up to 10% per year. Funding under the bill is intended to equal a 2% increase for all ADAs and DDAs on January 1, 2020 and 2021.

Joint Finance: Reduce funding provided to the District Attorney function for pay progression by -$33,700 in 2019-20 and -$100,600 in 2020-21 to reflect a reestimate of providing a 2% increase for eligible ADA's and DDAs on January 1, 2020, and January 1, 2021.

3. ADDITIONAL GPR PROSECUTOR POSITIONS [LFB Paper 271]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$5,484,800	34.00	- $700,000	- 4.00	$4,784,800	30.00
PR	- 1,240,700	- 7.50	700 000	4.00	- 540,700	- 3.50
Total	$4,244,100	26.50	$0	0.00	$4,244,100	26.50

Governor: Provide $2,498,400 GPR in 2019-20, $2,986,400 GPR in 2020-21, and 34.0 GPR positions annually, to provide additional prosecutors to District Attorney offices across the state. In addition, modify funding by -$608,200 PR in 2019-20, and -$632,500 PR in 2020-21 and -7.50 PR positions annually. [Note that the GPR funding for new positions includes funding for pay progression in 2020-21.]

a. *New State Prosecutor Positions*. Provide $1,069,500 GPR in 2019-20, $1,466,900 GPR in 2020-21, and 19.6 GPR-funded positions annually, to provide additional ADAs to the following 20 offices:

County	New GPR ADA Positions	Current Prosecutor Positions *	Resulting Prosecutor Positions
Barron	1.00	3.00	4.00
Bayfield	0.60	1.00	1.60
Brown	1.00	14.00	15.00
Dunn	1.00	3.00	4.00
Eau Claire	1.00	9.00	10.00
Forest	1.00	1.00	2.00
Jackson	1.00	2.00	3.00
La Crosse	1.00	8.00	9.00
Langlade	1.00	1.50	2.50
Lincoln	1.00	2.00	3.00
Manitowoc	1.00	5.00	6.00
Monroe	1.00	3.00	4.00
Outagamie	1.00	10.00	11.00
Ozaukee	1.00	3.00	4.00
Polk	1.00	3.00	4.00
Portage	1.00	4.00	5.00
Racine	1.00	18.00	19.00
Sawyer	1.00	2.00	3.00
Washington	1.00	5.00	6.00
Wood	1.00	4.00	5.00
Total for Above 20 Counties	19.60	101.50	121.10

*Note that the number of authorized prosecutor positions includes GPR-funded and PR-funded positions. The amount may be subject to revision as position authority for certain PR-funded positions expires and position authority for new PR-funded positions is authorized.

b. *Convert PR-Funded ADA Positions.* Provide $608,200 GPR, and -$608,200 PR in 2019-20, and $632,500 GPR and -$632,500 PR in 2020-21, and 7.5 GPR positions and -7.5 PR positions annually, to convert funding for certain prosecutor positions from program revenue to general purpose revenue. The 7.5 GPR positions would include 1.0 ADA position in Fond du Lac County, 2.5 ADA positions in Marathon County, and 4.0 ADA positions in Milwaukee County. The Governor indicates that funding currently supporting the positions is not available for the 2019-21 biennium.

c. *Increase Existing Part-Time ADA Positions.* Provide $820,700 GPR in 2019-20, $887,000 GPR in 2020-21, and 6.9 GPR positions annually, to increase part-time prosecutor positions in the following 14 counties:

County	Additional ADA Positions	Current Prosecutor Positions *	Resulting Prosecutor Positions
Adams	0.80	1.20	2.00
Buffalo**	0.20	1.00	1.20
Burnett***	0.75	1.25	2.00
Columbia	0.25	4.75	5.00
Douglas	0.50	3.50	4.00
Green Lake	0.50	1.50	2.00
Iowa	0.25	1.75	2.00
Juneau	0.50	2.50	3.00
Marinette	0.40	2.60	3.00
Pierce	0.50	2.50	3.00
Rusk	0.50	1.50	2.00
Sheboygan	0.50	7.50	8.00
Washburn***	0.75	1.25	2.00
Waupaca	0.50	3.50	4.00
Total for Above 14 Counties	6.90	36.30	43.20

*Note that the number of authorized prosecutor positions includes GPR-funded and PR-funded positions. The amount may be subject to revision as position authority for certain PR-funded positions expires and position authority for new PR-funded positions is authorized.

**Note that Buffalo has a 0.5 elected DA and a 0.5 ADA. The requested 0.2 positions would be used to make both 0.6 positions.

***Note that one 0.5 ADA splits time between Burnett and Washburn Counties. Under the bill, both Burnett and Washburn Counties would have a full-time ADA.

Joint Finance: Modify funding for additional ADAs by -$346,500 GPR and $346,500 PR in 2019-20 and -$353,500 GPR and $353,500 PR in 2020-21 and -4.0 GPR and 4.0 PR positions annually to maintain 4.0 PR-funded ADA positions in Milwaukee.

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$12,702,800	$13,241,900	$12,781,300	- $460,600	- 3.5%	$78,500	0.6%
PR	26,375,600	29,255,900	29,716,500	460,600	1.6	3,340,900	12.7
TOTAL	$39,078,400	$42,497,800	$42,497,800	$0	0.0%	$3,419,400	8.8%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	26.94	26.94	26.94	0.00	0.00
PR	28.24	28.24	28.24	0.00	0.00
TOTAL	55.18	55.18	55.18	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $62,700
PR	- 68,300
Total	- $131,000

Governor/Joint Finance: Modify the base budget by -$32,900 GPR and -$37,100 PR in 2019-20 and -$29,800 GPR and -$31,200 PR in 2020-21 for: (a) full funding of continuing salaries and fringe benefits (-$98,300 GPR and -$56,700 PR annually); (b) overtime ($63,500 GPR and $10,400 PR annually); (c) night and weekend pay differential ($7,500 GPR and $2,900 PR annually); (d) full funding of lease and directed moves costs (-$5,600 GPR and $6,300 PR in 2019-20 and -$2,500 GPR and $12,200 PR in 2020-21).

2. K-12 EDUCATIONAL SERVICES DIVISION [LFB Paper 275]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$460,600	- $460,600	$0
PR	- 460,600	460,600	0
Total	$0	$0	$0

Governor: Provide $230,300 GPR annually beginning in 2019-20 to provide funding for the K-12 educational services division and delete corresponding PR funding.

Under 2015 Act 55, the primary appropriation that supported ECB's K-12 educational services division was repealed, funding of $1,073,400 GPR annually was eliminated, and 6.2 GPR positions were deleted. The current K-12 educational unit produces and distributes instructional media for use by Wisconsin teachers and students. Act 55 increased ECB's PR expenditure authority and authorized additional PR positions to offset the reductions in GPR and authorized GPR positions.

Joint Finance: Delete provision.

3. DEBT SERVICE REESTIMATES

GPR	$170,400
PR	- 14,000
Total	$156,400

Governor/Joint Finance: Reestimate debt service funding by $185,200 GPR and -$1,200 PR in 2019-20 and -$14,800 GPR and -$12,800 PR in 2020-21.

4. FUEL AND UTILITIES REESTIMATE

GPR	- $29,200

Governor/Joint Finance: Delete $24,200 in 2019-20 and $5,000 in 2020-21 to reestimate the Board's fuel and utilities budget to reflect anticipated changes in prices and statistically normal weather conditions.

5. GIFTS AND GRANTS REESTIMATE

PR	$3,423,200

Governor/Joint Finance: Provide $1,711,600 annually to fund projected increases in expenses charged to the ECB gifts and grants appropriation.

6. PROCUREMENT AND PUBLICATION OF EDUCATIONAL MATERIALS

Governor/Joint Finance: Authorize ECB, when appropriate and related to the programs of the state educational radio and television network, to procure or publish instructional material. Provide that a reasonable handling charge could be established to cover the costs of providing this material and that all moneys received from the sale of these materials would be deposited in the ECB gifts and grants appropriation.

ELECTIONS COMMISSION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$8,583,400	$9,024,200	$9,358,100	$333,900	3.7%	$774,700	9.0%
FED	2,100,000	2,268,300	1,897,000	- 371,300	- 16.4	- 203,000	- 9.7
PR	3,400	2,000	2,000	0	0.0	- 1,400	- 41.2
SEG	200	200	200	0	0.0	0	0.0
TOTAL	$10,687,000	$11,294,700	$11,257,300	- $37,400	- 0.3%	$570,300	5.3%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	25.75	25.75	25.75	0.00	0.00
FED	6.00	6.00	6.00	0.00	0.00
TOTAL	31.75	31.75	31.75	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$322,100
FED	- 248,000
Total	$74,100

Governor/Joint Finance: Provide standard budget adjustments to the base totaling $158,200 GPR and -$133,400 FED in 2019-20 and $163,900 GPR and -$114,600 FED in 2020-21. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits ($144,000 GPR and -$142,800 FED annually); (b) reclassifications and semiautomatic pay progression ($48,100 GPR and $9,400 FED in 2019-20 and $48,100 GPR and $28,200 FED in 2020-21); and (c) full funding of lease and directed moves costs (-$33,900 GPR in 2019-20 and -$28,200 GPR in 2020-21).

2. AUTOMATIC VOTER REGISTRATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$37,400	- $37,400	$0

Governor: Provide $24,800 in 2019-20 and $12,600 in 2020-21 to register all eligible electors as soon as practicable. Funds would be provided to the Commission's general program operations appropriation for supplies and services to: (a) train municipal and county clerks; (b) develop the information technology necessary for implementation; (c) update and develop agency resources, such as websites and voter outreach materials, to reflect changes; and (d) increase mailing of verification postcards.

Agreement with DOT. Require the Commission and the Department of Transportation (DOT) to enter into an agreement providing for the electronic transfer of information to facilitate the registration of all eligible electors. The Department would be required to begin transferring information under such an agreement no later than the first day of the fourth month after the effective date of the bill. The agreement must provide for the continuous electronic transfer of the following information, no less often than monthly: (a) the full name of each individual who holds a current operator's license or a current identification card issued by DOT; (b) the individual's name history, current address, address history, date of birth, and license or identification card number; (c) a copy of the document the individual provided as proof of citizenship; (d) a statement indicating that DOT verified the individual's citizenship; and (e) the most recent date that each item of information was provided or obtained by DOT. Require that the application forms for a license or identification card inform the applicant that information will be made available to the Elections Commission and provide an opportunity for the applicant to elect not to share the information.

Specify that the Commission maintain the confidentiality of all information obtained from DOT and only use the information for the purpose of registering electors. Further, specify that this provision would not preclude DOT from sharing this information with the Commission for the current law purposes of online voter registration or for any other purpose other than automatic voter registration. [See "Transportation -- Motor Vehicles."]

List Maintenance. Require the Commission to compare the information from DOT with the voter registration list and use all feasible means to facilitate the registration of eligible electors based on the following procedures:

a. Enter the individual's name on the registration list, provided that the Commission has obtained from reliable sources the required information and the individual appears to be eligible to vote but not registered. Attempt to obtain from reliable sources the necessary information required to complete an individual's registration. Attempt to contact the individual if necessary to obtain the information needed to complete registration.

b. Contact electors by mail, telephone, or in person to resolve discrepancies if the information from DOT does not match the voter registration list. If the Commission is unable to

contact the elector, update the registration list and resolve any discrepancies to reflect the information submitted by DOT.

c. If a name is removed from the registration list, other than to remove a duplicate entry or change the status of a deceased individual to ineligible, mail a notice of the change by first class postcard informing the elector that he or she may apply to be added again.

d. If a municipality has changed the status of an elector to ineligible and the individual's eligibility, name, or residence has not changed, the Commission may not change the individual's status unless the Commission verifies that the individual is eligible and wishes to change his or her status.

e. In addition, any individual may file a request with the Commission to be excluded or deleted from the registration list and may later revoke the request to be excluded or deleted. The Commission must ensure that an individual who has filed a request to be excluded or deleted from the list is excluded or removed and is not added at a later time unless the request is revoked.

Voter Registration Modifications. Require municipal clerks and their agents to promptly add to the statewide registration list the names of qualified electors who register late in person. Specify that, for an individual who registers to vote electronically, the municipal clerk must inform the elector that proof of residence is required, unless residency has been verified by the Commission's electronic system. Require the Commission to maintain electronic registration forms and make them available for inspection by the municipal clerk, clerk's agent, or board of election commissioners.

Report to Legislature. No later than July 1, 2020, require the Commission to report the following to the appropriate standing committees of the Legislature: (a) progress in implementing a system to ensure the complete and continuous registration of all eligible electors, including the operability and utility of information integration with DOT; and (b) an assessment of the feasibility and desirability of the integration of registration information with information maintained by the Departments of Health Services, Children and Families, Workforce Development, Revenue, Safety and Professional Services, and Natural Resources; the University of Wisconsin System; the Technical College System Board; and the technical colleges within each technical college district.

Provisions are identical to 2017 Assembly Bill 609, except with regard to implementation date, expenditure authority, and legislative review. Under AB 609, the Commission would have been required to complete the initial registration of all eligible electors by July 1, 2021, rather than "as soon as practicable." Further, under AB 609, any expenditures to implement the Act would have been subject to a 14-day passive review process by the Joint Committee on Finance.

Joint Finance: Delete provision.

3. VOTING REQUIREMENT MODIFICATIONS

Governor: Modify the following provisions of 2017 Act 369 related to identification cards used for voting to: (a) remove the requirement that cards issued by an accredited university or college in Wisconsin require a signature; (b) specify that an unexpired identification card issued

by an accredited university or college must be a student identification card to be used for voting; (c) specify that the card may expire no later than five years after the date of issuance, rather than two years under current law; (d) remove the requirement that the elector prove current enrollment on the date the card is presented; (e) require that every University of Wisconsin System institution and technical college issue student identification cards that qualify as identification for the purpose of voting no later than August 1, 2019; and (f) specify that a temporary identification card issued by the Department of Transportation be valid for a period not to exceed 180 days, rather than 60 days under current law.

Modify the provision of 2017 Act 369 related to the period during which a qualified elector may apply for an absentee ballot in-person, such that applications may be made no later than 7 p.m. on the Friday preceding the election, rather than the Sunday preceding the election. Repeal the requirement that an application for an absentee ballot in-person be made no earlier than 14 days preceding the election.

The Executive Budget Book indicates that the above modifications are intended to "address the federal court enjoinder." On January 17, 2019, the U.S. District Court for the Western District of Wisconsin ruled that several provisions of 2017 Act 369 violated injunctions issued in *One Wisconsin Institute v. Thomsen*, including: (a) restrictions on the use of expired, but otherwise qualifying, student identification cards for voting; (b) a time limit on the validity of temporary identification cards issued by DOT under the identification card petition process; and (c) limits on the time period for in-person absentee voting.

Joint Finance: Delete provision.

4. FUNDING FOR REQUIREMENTS OF THE ELECTRONIC REGISTRATION INFORMATION CENTER [LFB Paper 280]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$81,300	$371,300	$452,600
FED	371,300	- 371,300	0
Total	$452,600	$0	$452,600
GPR-REV	$0	$9,700	$9,700
PR-Transfer	$0	$9,700	$9,700

Governor: Provide $81,300 GPR and $196,900 FED in 2019-20 and $174,400 FED in 2020-21 for: (a) Electronic Registration Information Center (ERIC) membership dues ($33,100 FED annually); (b) mailings to potential eligible voters and voters who may no longer be residing at their registered address, which are required by ERIC ($81,300 GPR in 2019-20 and $141,300 FED annually); and (c) one-time funding of $22,500 FED in 2019-20 for WisVote election administration system modifications.

The Elections Commission is statutorily required to join ERIC, a consortium of states that shares data to improve voter registration databases. Member states are provided reports to identify

voters who may have moved, voters who may have died, duplicate voter records, and voters who appear to be eligible to vote but are not registered. Expenditure authority is intended to: (a) fund annual membership dues and perform annual list maintenance for voters who are identified by ERIC as having potentially moved; (b) contact voters who have been identified by ERIC as being eligible to vote but are not yet registered to vote; and (c) modify the WisVote system to enable importing of ERIC data to allow clerks to update information for voters who have died and to clean up duplicate records.

Joint Finance: Modify the provision to provide GPR, rather than FED, for ERIC expenses as follows: (a) delete $196,900 FED in 2019-20 and $174,400 FED in 2020-21; and (b) provide an additional $196,900 GPR in 2019-20 and $174,400 GPR in 2020-21. In addition, transfer $9,700 PR in 2019-20 from the Commission's materials and services appropriation to the general fund for the purpose of offsetting a portion of ERIC expenses.

5. VOTER LIST MAINTENANCE MAILING

FED	$45,000

Governor/Joint Finance: Provide $45,000 in 2020-21 for the voter list maintenance mailing. Every two years, under s. 6.50(1) of the statutes, the Elections Commission is required to mail a notice of suspension of registration to each elector who has not voted in the previous four years. If the elector does not respond within 30 days, his or her registration is inactivated. Base funding includes $30,000 for a voter list maintenance mailing. The Commission estimates the cost of the next mailing will total $75,000.

6. MATERIALS AND SERVICES REESTIMATE

PR	- $1,400

Governor/Joint Finance: Reduce expenditure authority for the Commission's materials and services appropriation by $700 annually to reflect the Commission's estimate of declining revenues. Base funding for the appropriation is $1,700 annually. Revenues credited to the appropriation are from the sale of publications and copies of records.

EMPLOYEE TRUST FUNDS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$136,000	$79,500	$79,500	$0	0.0%	- $56,500	- 41.5%
SEG	95,803,400	96,749,300	96,749,300	0	0.0	945,900	1.0
TOTAL	$95,939,400	$96,828,800	$96,828,800	$0	0.0%	$889,400	0.9%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
SEG	272.20	274.20	274.20	0.00	2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	$714,900

Governor/Joint Finance: Provide standard budget adjustments to the base totaling $333,000 in 2019-20 and $381,900 in 2020-21. Adjustments are for: (a) turnover reduction (-$537,400 annually); (b) full funding of continuing position salaries and fringe benefits ($633,700 annually); (c) overtime ($45,600 annually); (d) night and weekend differential pay ($72,200 annually); (e) full funding of lease and directed moves costs ($118,900 in 2019-20 and $167,800 in 2020-21); and (f) minor transfers within the same alpha appropriation ($0 annually within ETF's administration appropriation associated with a transfer of $3,384,400 annually from an appropriation account for information technology administration to the agency's main appropriation account for administration).

2. RETIRED EMPLOYEES BENEFIT SUPPLEMENT RE-ESTIMATE

GPR	- $56,500

Governor/Joint Finance: Reduce base level funding by $20,100 in 2019-20 and $36,400 in 2020-21 to reflect decreased amounts necessary to pay benefit supplements for retirees who first

began receiving annuities before October 1, 1974. These supplements were authorized by Chapter 337, Laws of 1973, 1983 Wisconsin Act 394, and 1997 Wisconsin Act 26. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. Current base level funding for the appropriation is $68,000.

3. REHIRED ANNUITANT TEACHERS

Governor: Specify that a Wisconsin Retirement System (WRS) participant who is employed as a teacher by a school district, and who retires on or after the effective date of the bill, would have a break-in-service requirement of 30 days between termination of employment as a teacher and again becoming a WRS participant teacher (as an employee or contractor) with any school district to qualify for an annuity or lump sum payment. Further, specify that a rehired annuitant meeting these conditions could provide employee services as a teacher without suspending annuity payments and without resuming participation in the WRS if: (a) at the time of terminating employment, the individual does not have an agreement to return to employment or enter into a contract as a teacher with any school district that is a WRS employer; and (b) the individual elects on a form provided by ETF to not become a participating WRS employee.

Under current law, any WRS participant who retires on or after July 2, 2013, has a break-in-service requirement of 75 days between termination of employment and becoming a participating employee with a WRS employer. This separation from WRS employment must occur for an individual who applied for an annuity or lump sum payment to continue to qualify for an annuity or to retain the lump sum payment. Also under current law, any WRS participant who retires on or after July 2, 2013, must suspend their annuity and become a participating WRS employee if they are employed in covered employment, or enter into a contract with a WRS employer, and are expected to work at least two-thirds of what is considered full-time employment by ETF. Under the bill, teachers who retired between July 2, 2013, and the day before the effective date of the bill would continue to have a 75 day break in service requirement and would continue to be required to suspend their annuity and become a participating WRS employee if they are employed in any covered employment, or enter into any contract with a WRS employer, for which they are expected to work at least two-thirds of what is considered full-time employment by ETF.

Joint Finance: Delete provision.

4. MODIFY 2015 OPT-OUT STIPEND EXCLUSION [LFB Paper 285]

Governor: Specify that a state employee is not eligible to receive a $2,000 stipend in lieu of health care coverage if the employee was eligible for an employer contribution and elected not to receive health care coverage in 2015 or any succeeding calendar year. Amounts allocated in the bill to compensation reserves include assumed savings of -$102,600 GPR (-$234,300 all funds) in 2019-20 and -$205,000 GPR (-$468,200 all funds) in 2020-21 associated with additional health insurance opt-outs that could result from this modification to current law. [See "Budget Management and Compensation Reserves."]

Under current law, an employee who elected not to receive health care coverage in 2015 is

not eligible to receive the opt-out stipend at any time. Under the bill, an individual in this group could receive the stipend if: (a) they had elected to receive coverage in 2016 or any succeeding year; and (b) they again elected not to receive coverage in the year for which they apply for the stipend under this provision. The provision would not provide for retrospective payments for previous years.

Joint Finance: Delete provision.

5. EXPENDITURE AUTHORITY FOR AUDITS CONDUCTED BY LEGISLATIVE AUDIT BUREAU

SEG	$231,000

Governor/Joint Finance: Provide $183,000 in 2019-20 and $48,000 in 2020-21 to ETF's administration appropriation, allotted to one-time financing, to fund two statutorily-required audits performed or contracted for by the Legislative Audit Bureau: (a) an actuarial audit of the Wisconsin Retirement System, performed once every five years; and (b) annual financial audits of ETF, which in 2020 and 2021 will include a review of new accounting standards issued by the Government Accounting Standards Board for accounting and financial reporting for pensions by public pension plans and employers. Funding would be one-time in nature and would not remain in the agency's base for the 2021-23 biennium.

6. POSITION AUTHORITY FOR DISABILITY PROGRAM

	Positions
SEG	2.00

Governor/Joint Finance: Provide 2.0 trust funds specialist-advanced positions annually, to be funded with existing expenditure authority, associated with increased workload resulting from the closure of the long-term disability insurance (LTDI) program and reopening of the disability retirement annuity program to all eligible participants under s. 40.63 of the statutes. The LTDI program was previously managed by a third-party administrator, while the disability retirement annuity program is administered by ETF.

7. CONSOLIDATE ADMINISTRATIVE APPROPRIATIONS AND REPEAL OTHER APPROPRIATIONS

Governor/Joint Finance: Transfer $973,000 SEG annually in total from the following appropriations to the administration appropriation: (a) health insurance data collection and analysis contracts ($968,100 annually); and (b) benefit administration ($4,900 annually). The purpose of the benefit administration appropriation, which is not currently utilized, is to fund independent medical evaluations for recipients of disability benefits. Payments for independent medical evaluations are made from ETF's administration appropriation. Repeal the following appropriations: gifts and grants (PR); federal aid (FED); gifts and grants to the public employee trust fund (SEG); benefit administration (SEG); and health insurance data collection and analysis contracts (SEG). The Department does not use its appropriations for gifts and grants and federal aid. The appropriation changes are intended "to better reflect current department practice and administration."

8. BOARD OVERSIGHT OF DISABILITY PROGRAMS AND RESERVE POLICY

Governor: Modify statutory provisions relating to the income continuation insurance (ICI) and long-term disability insurance (LTDI) programs as follows:

a. Create statutory provisions establishing the LTDI program, which is currently authorized under administrative rule;

b. Transfer oversight for the ICI and LTDI programs from the Group Insurance Board to the Employee Trust Funds (ETF) Board; and

c. Modify current law requirements regarding program reserves from being mandatory to permissive. Specify that the ETF Board may apportion excess moneys available through operation of the ICI and LTDI programs to reduce premium payments in following contract years or to establish reserves to stabilize costs in subsequent years. Under current law, the Group Insurance Board is required to apportion excess moneys for all group insurance plans in this manner.

Joint Finance: Delete provision.

9. ON-SITE EMPLOYEE HEALTH CLINICS

Governor: Specify that the Group Insurance Board may contract with any entity to provide health and wellness services at health clinics established within state facilities to any individual who is covered under a group health insurance plan. Specify that the current law oversight authority of the Joint Committee on Finance regarding self-insured group health plans would not apply to the Board's authority to contract for the provision of health and wellness services at health clinics established within state facilities.

Joint Finance: Delete provision.

10. INTERNAL AUDITOR

Governor: Require the Employee Trust Funds Board to appoint an internal auditor in the classified service, who would report directly to the Board.

The Department indicated in its agency budget request that an external quality assessment of ETF's internal audit function resulted in a report that recommended ETF revise its policy and structure to ensure that "administrative reporting relationships are properly defined, and clearly provide the appropriate appearance of organizational independence and objectivity. The standards provide that organizational independence is effectively achieved when the chief audit executive reports functionally to the Board." Currently, the internal auditor is appointed by the Secretary of ETF.

Joint Finance: Delete provision.

11. FIXED-DOLLAR EMPLOYEE PREMIUM SUBSIDY STUDY

Governor: Require the Group Insurance Board, in consultation with the group health plan actuary, to conduct a study of the feasibility and potential cost savings associated with including a fixed-dollar employee premium subsidy program in the group health insurance plan for active state employees. Specify that the Board must submit a report of the study no later than June 30, 2020, to the Governor and the Joint Committee on Finance.

Joint Finance: Delete provision.

12. PRESCRIPTION DRUG POOLING STUDY

Governor: Require the Department of Employee Trust Funds, in consultation with the Departments of Corrections, Health Services, and Veterans Affairs, to study the options and opportunities for cost savings to state agencies through prescription drug pooling. Specify that ETF must submit a report of the study no later than January 1, 2020, to the Governor and the appropriate standing committees of the Legislature, as determined by the Speaker of the Assembly and the President of the Senate.

Joint Finance: Delete provision.

13. PRIVATE SECTOR RETIREMENT SECURITY PLAN COMMITTEE AND STUDY

Governor: Require the Secretary of the Department of Employee Trust Funds (ETF) to establish a 10-member private sector retirement security plan committee consisting of the following individuals: (a) the State Treasurer; (b) a member of the Employee Trust Funds Board appointed by the Governor; (c) a member of the Investment Board appointed by the Governor; (d) three members of the public appointed by the Governor; (e) one member appointed by the Speaker of the Assembly; (f) one member appointed by the Minority Leader of the Assembly; (g) one member appointed by the Majority Leader of the Senate; and (h) one member appointed by the Minority Leader of the Senate. Specify that at least three of the members of the committee must have at least 10 years of experience in making investments. Specify that the committee must conduct a study to determine the feasibility of establishing a private retirement security plan administered by ETF to provide retirement benefits for residents of the state who choose to participate in the plan. The committee would be required to submit a report no later than September 30, 2020, to the Governor and the Joint Survey Committee on Retirement Systems that includes recommendations regarding the creation of a private sector retirement security plan administered by ETF. The committee would terminate upon submission of the report.

Joint Finance: Delete provision.

EMPLOYMENT RELATIONS COMMISSION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,039,600	$1,788,800	$1,788,800	$0	0.0%	- $250,800	- 12.3%
PR	291,200	291,200	291,200	0	0.0	0	0.0
TOTAL	$2,330,800	$2,080,000	$2,080,000	$0	0.0%	- $250,800	- 10.8%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	6.00	6.00	6.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $250,800

Governor/Joint Finance: Provide standard budget adjustments to the base totaling -$126,200 in 2019-20 and -$124,600 in 2020-21. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-$98,200 annually); and (b) full funding of lease and directed moves costs (-$28,000 in 2019-20 and -$26,400 in 2020-21).

2. PROGRAM REVENUE TRANSFERS TO THE GENERAL FUND

GPR-REV	$68,800

Joint Finance: Provide that at the end of the fiscal year, any unencumbered balance in the Commission's fees, collective bargaining training, publications, and appeals annual PR appropriation that exceeds 10% of the expenditures from the appropriation in the fiscal year be transferred to the general fund. This provision would only apply during the 2019-21 biennium. Estimate that transfers from the appropriation to the general fund would equal $34,400 annually.

The affected appropriation is utilized by the Commission to address costs related to the

performance of fact-finding, mediation, certification of collective bargaining representation, and arbitration functions, as well as for the costs of operating training programs, conducting appeals, and preparing publications, transcripts, reports, and other copied material. Fees assessed by the WERC to offset the costs of carrying out its responsibilities, as well as training program and publication sale revenues, are deposited to this appropriation. Generally, under current law, any unencumbered balance in the appropriation at the end of the fiscal year remains in the appropriation, is available for future authorized expenditures, and does not transfer to the general fund. However, similar to the provision under the bill discussed above, 2015 Act 55 and 2017 Act 59 required that any unencumbered balance in the appropriation that exceeded 10% of the expenditures from the appropriation in the fiscal year be transferred to the general fund during the 2015-17 biennium and 2017-19 biennium, respectively.

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$30,964,800	$24,190,400	$24,190,400	$0	0.0%	- $6,774,400	- 21.9%
SEG	16,000,000	16,000,000	16,000,000	0	0.0	0	0.0
TOTAL	$46,964,800	$40,190,400	$40,190,400	$0	0.0%	- $6,774,400	- 14.4%
BR		$57,050,000	$17,050,000				

FTE Position Summary

Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.

Budget Change Items

1. BONDING AUTHORITY OVERVIEW

The following table summarizes environmental improvement fund (EIF) bonding under current law, the bill, and Joint Finance changes. Each proposed change in bonding authority is summarized in the following entries.

Environmental Improvement Fund Bonding Authority

	Current	Governor	Joint Finance (Change to Current)	Total
General Obligation				
Clean water fund program	$646,283,200	$13,500,000	$13,500,000	$659,783,200
Safe drinking water loan program	71,400,000	3,550,000	3,550,000	74,950,000
Lead service line replacement (safe drinking water)	0	40,000,000	0	0
Subtotal General Obligation Bonding	$717,683,200	$57,050,000	$17,050,000	$734,733,200
Revenue Obligation				
Clean water fund program	$2,526,700,000	-$2,526,700,000	-$2,526,700,000	$0
Clean water fund and safe drinking water loan program	0	2,526,700,000	2,526,700,000	2,526,700,000
Subtotal Revenue Obligation Bonding	$2,526,700,000	$0	$0	$2,526,700,000
Total Bonding Authority	$3,244,383,200	$57,050,000	$17,050,000	$3,261,433,200

2. PROGRAM CHANGES [LFB Paper 295]

BR	$17,050,000

Governor: Make the following changes to the EIF.

Clean Water Fund Bonding Authority. Provide an increase in general obligation bonding authority of $13,500,000 for the clean water fund program within the EIF. The clean water fund program provides low-interest loans to municipalities for planning, designing, constructing or replacing a wastewater treatment facility, or for nonpoint source pollution abatement or urban storm water runoff control projects.

Safe Drinking Water Bonding Authority. Provide an increase in general obligation bonding authority of $3,550,000 for the safe drinking water loan program within the EIF. Authorize the Department of Natural Resources (DNR) and Department of Administration (DOA) to issue revenue obligations for the safe drinking water loan program in a manner consistent with the existing authority for clean water fund program revenue obligations. Specify that the current authorization for the state to issue up to $2,526,700,000 in revenue obligations for the clean water fund program could also be used to issue revenue obligations for the safe drinking water loan program. No additional revenue obligations would be authorized for either program.

The safe drinking water loan program provides financial assistance to municipalities for the planning, design, construction, or modification of public water systems. State general obligation bonds are issued to pay for the 20% state match to the federal capitalization grant for the safe drinking water loan program. Under the current clean water fund program revenue obligation provisions, the state issues revenue obligations to provide capital to make loans to municipalities for eligible projects. Municipalities borrow money under the program, including at below-market interest rates, and use the loans for the costs of planning, design and construction of wastewater treatment facilities. The repayment of the clean water fund program revenue obligations comes from: (a) municipality repayment of loans funded from the revenue obligations; (b) interest repayments on loans made with federal capitalization grants received from the U.S. Environmental

Protection Agency (EPA); and (c) in cases of default, intercepts of state aid otherwise payable to a municipality. Safe drinking water revenue obligations would be repaid by similar means.

The administration indicates the safe drinking water state match would be funded from revenue obligations upon completion of certain measures necessary to establish the line of debt. The general obligation authority provided by the bill would be used in the event a state match would be necessary prior to the availability of safe drinking water revenue obligations.

Safe Drinking Water 30-Year Loan Term. The Executive Budget Book states that the Governor recommends increasing the maximum loan term from 20 years to 30 years to mirror the clean water fund program. The bill does not include this provision and would need to be amended to accomplish this intent.

Joint Finance: Approve the Governor's recommendations for additional general obligation bonding authority for the clean water fund and safe drinking water loan programs. Approve the creation of a safe drinking water loan program revenue obligation bonding component. In addition, authorize the safe drinking water loan program to provide a maximum 30-year loan term, instead of the current maximum of 20 years, if the loan will be fully amortized not later than 30 years after the expected completion date of the project, and if repayment of principal and interest, if any, begins not later than 18 months after the expected completion date of the project that it funds, as determined by DOA.

3. LEAD SERVICE LINE REPLACEMENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$40,000,000	- $40,000,000	$0

Governor: Provide an increase in general obligation bonding authority of $40,000,000 for the safe drinking water loan program. Require DOA to allocate not more than $40,000,000 in safe drinking water general obligation bonding authority to projects involving forgivable loans to private users of public water systems to cover not more than 50% of the cost to replace lead service lines. Create a legislative finding and determination that the prevalence of lead service lines in connection to public water systems poses a public health hazard and that processes for reducing lead entering drinking water from such pipes requires additional treatment of wastewater. Further, it would be determined to be in the public interest, and the public policy of the state, to assist private users of public water systems in replacing lead service lines.

Water service lines, also known as laterals, connect a building to the water mains in the street, and carry drinking water from the public water system to the individual building. Water services lines were often constructed with lead as late as the 1980s in some areas. Lead in water service lines can leach into drinking water and damage the health of people drinking the water. In general, maintenance or replacement of the portion of the lateral that extends from the water main to the curb stop is the responsibility of the public water system, and the remaining portion of the lateral that extends from the curb stop to the building is the responsibility of the property owner.

The current safe drinking water loan program provides financial assistance to local governments that own public water systems or to the private owner of a community water system that serves a local government. The current program does not provide financial assistance to private users of public water systems. State safe drinking water loans have not been used for projects on private property because of state concerns about using general obligation bonding proceeds, which provide the state match for federal safe drinking water grants, for projects that benefit private property owners rather than improve publicly-owned infrastructure or provide a direct public benefit.

In 2016-17 and 2017-18, the safe drinking water loan program awarded principal forgiveness loans (grants) totaling $26,857,900 for 42 municipalities to replace private lead service lines. However, these activities were funded by federal safe drinking water grants to the state. Lead service line replacements are to occur where public lead water mains have been replaced in the past or where the public main will be replaced at the same time as private lead service lines.

Joint Finance: Delete provision.

4. DEBT SERVICE REESTIMATE

GPR	- $6,774,400

Governor/Joint Finance: Reestimate debt service costs by -$2,230,900 in 2019-20 and by -$4,543,500 in 2020-21 for state general obligation bonds and commercial paper debt issued for the environmental improvement fund. This would include: (a) -$1,613,300 in 2019-20 and -$3,904,700 in 2020-21 for the clean water fund program; and (b) -$617,600 in 2019-20 and -$638,800 in 2020-21 for the safe drinking water loan program. Actual and estimated debt service payments from 2017-18 through 2020-21 are shown in the table. Clean water fund program debt service is also paid from a sum-certain SEG appropriation that receives a portion of loan repayments from municipalities on loans originally funded using general obligation bonds.

Environmental Improvement Fund Debt Service Expenditures

	GPR Clean Water Fund Program	SEG Clean Water Fund Program	Safe Drinking Water Loan GPR	Total
2017-18 Actual	$9,888,600	$8,000,000	$5,095,400	$22,984,000
2018-19 Base	9,893,500	8,000,000	5,588,900	23,482,400
2019-20 Bill/JFC	8,280,200	8,000,000	4,971,300	21,251,500
2020-21 Bill/JFC	5,988,800	8,000,000	4,950,100	18,938,900

ETHICS COMMISSION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$1,686,800	$1,821,900	$1,821,900	$0	0.0%	$135,100	8.0%
PR	1,002,400	1,028,500	1,028,500	0	0.0	26,100	2.6
TOTAL	$2,689,200	$2,850,400	$2,850,400	$0	0.0%	$161,200	6.0%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	4.55	4.55	4.55	0.00	0.00
PR	3.45	3.45	3.45	0.00	0.00
TOTAL	8.00	8.00	8.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$131,900
PR	26,100
Total	$158,000

Governor/Joint Finance: Provide adjustments to the agency base budget totaling $65,600 GPR and $12,800 PR in 2019-20 and $66,300 GPR and $13,300 PR in 2020-21. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits ($49,800 GPR and $16,500 PR annually); (b) full funding of lease and directed moves costs ($1,700 GPR and -$23,800 PR in 2019-20 and $2,400 GPR and -$23,300 PR in 2020-21); and (c) the position salaries and fringe benefits of the administrator and ethics specialist positions, which were filled after the payroll calculations were initially made for standard budget adjustments ($14,100 GPR and $20,100 PR annually).

2. FUNDING FOR COMMISSIONER PER DIEMS [LFB Paper 300]

GPR	$3,200

Governor/Joint Finance: Provide $1,600 annually to fund Commissioners' per diems and fringe benefits. Under s. 15.06 of the statutes, the Commission is required to meet a minimum of

four times per year, and participating Commissioners are required to receive a per diem of $115. Base funding for per diems is $1,300 annually. Each year, $2,800 is required for the six Commissioners to participate in four meetings. In addition, the Commission estimates that $100 per year is needed to fund associated fringe benefits.

FINANCIAL INSTITUTIONS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$37,124,400	$38,150,500	$38,100,500	- $50,000	- 0.1%	$976,100	2.6%
SEG	1,530,000	1,612,000	1,612,000	0	0.0	82,000	5.4
TOTAL	$38,654,400	$39,762,500	$39,712,500	- $50,000	- 0.1%	$1,058,100	2.7%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
PR	139.54	139.54	139.54	0.00	0.00
SEG	2.00	2.00	2.00	0.00	0.00
TOTAL	141.54	141.54	141.54	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$285,700
SEG	82,000
Total	$367,700

Governor/Joint Finance: Adjust the base budget for: (a) turnover reduction (-$285,000 PR annually); (b) full funding of continuing position salaries and fringe benefits ($385,200 PR and $40,600 SEG annually); and (c) full funding of lease and directed moves costs ($31,000 PR and $300 SEG in 2019-20 and $54,300 PR and $500 SEG in 2020-21).

2. STUDENT LOAN REFINANCING STUDY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$50,000	- $50,000	$0
GPR-REV	- $50,000	$50,000	$0

Governor: Provide $50,000 in 2019-20 to the Department of Financial Institutions' (DFI) general program operations appropriation for the creation of a Student Loan Refinancing Study Committee to study the development of a bonding authority for the refinancing of student loans in the state. The funds would be used to pay for research, outreach, information gathering, and analysis activities of the Committee, not exceeding $50,000. The administration states the purpose of the refinancing authority would be to ease the burden of student loan debt for Wisconsin residents. The Committee would consist of the Secretary of DFI, the State Treasurer, and the Executive Secretary of the Higher Educational Aids Board, and would be required to report its findings and recommendations to the Governor and the Legislature by October 1, 2020. For additional information, see "Higher Educational Aids Board".

Joint Finance: Delete provision. Under current law, with certain exceptions, any unencumbered balance in DFI's general program operations appropriation at the close of a fiscal year transfers to the general fund. As a result, deletion of this provision would increase the estimated amounts transferred to the general fund under the bill by $50,000 in 2019-20.

3. INFORMATION TECHNOLOGY MODERNIZATION AND SECURITY EFFORTS [LFB Paper 305]

PR	$690,400

Governor: Provide $320,700 in 2019-20 and $369,700 in 2020-21 to DFI's general program operations appropriation to modernize its information technology systems and improve its cybersecurity. The administration indicates the increased expenditure authority would be used for: (a) software upgrades; (b) software securitization and modernization; (c) file server and domain migration to the Department of Administration's Division of Enterprise Technology; and (d) the implementation of new hardware systems.

Joint Finance: Approve the requested funding on a one-time basis, but provide ongoing base funding of $57,000 for annual software fees.

4. GPR-EARNED REESTIMATE [LFB Paper 306]

GPR-REV	$5,689,100

Joint Finance: Reestimate the year-end transfer from DFI's general program operations appropriation at $84,000,000 in 2019-20 and $86,100,000 in 2020-21. As compared to the bill, the reestimate is higher by $2,629,600 in 2019-20 and by $3,059,500 in 2020-21. Under current law, with certain exceptions, fees and assessments imposed on regulated entities and individuals by DFI are deposited in DFI's general program operations appropriation. Any balance in this appropriation at the close of a fiscal year transfers to the general fund.

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
SEG	$250,800	$250,800	$250,800	$0	0.0%	$0	0.0%

FTE Position Summary

There are no state authorized positions for
the Fox River Navigational System.

GENERAL FUND TAXES

1. GENERAL FUND TAX CHANGES

Governor: The following table shows the general fund tax changes recommended by the Governor, along with their fiscal effects in the 2019-21 biennium. The table does not include tax law changes that are estimated to have a minimal fiscal effect. The table also does not include changes to refundable tax credits, because they are paid from appropriations rather than recorded as a reduction in tax revenues.

2019-21 General Fund Tax Changes
(In Millions)

	2019-20	2020-21	2019-21 Biennium
Income and Franchise Taxes			
Family and Individual Reinvestment Credit	-$421.55	-$412.05	-$833.60
Limit Capital Gains Exclusion	285.10	220.00	505.10
Limit MAC for Manufacturers	279.50	237.10	516.60
IRC Update	187.85	174.45	362.30
Sunset Private School Tuition Deduction	12.10	12.20	24.30
Child and Dependent Care Credit	0.00	-9.90	-9.90
Modify Medical Insurance Deduction	0.00	-9.50	-9.50
Repeal NOL Carrybacks	2.00	4.10	6.10
First-Time Home Buyer Account Deduction	0.00	-4.10	-4.10
WHEFA Tax Exclusion	0.00	-0.13	-0.13
Sunset Working Families Credit	0.05	0.05	0.10
Modify Broadcaster Apportionment	16.20	13.30	29.50
Limit Deduction for Moving Expenses	0.50	0.50	1.00
Low-Income Housing Credit Addback	0.14	0.31	0.45
Interactive Effects	4.90	6.90	11.80
Add Auditors	4.75	9.50	14.25
General Sales and Use Tax			
Marketplace Provider Enforcement	26.80	67.10	93.90
Repeal Clay Pigeon Exemption	0.15	0.20	0.35
Repeal Farm-Raised Deer Exemption	0.09	0.12	0.21
Sales Tax on Medical Marijuana	0.25	0.50	0.76
Add Auditors	9.75	19.50	29.25
Excise Taxes and Other Taxes			
Dispensary Surcharge on Medical Marijuana	0.50	1.01	1.51
Tobacco Products Tax on E-Cigarettes	14.90	19.80	34.70
Tax Little Cigars as Cigarettes	2.90	3.90	6.80
Limit Exemption Between Related Entities	0.54	0.72	1.26
Total Tax Changes	$427.43	$355.58	$783.01

Joint Finance: The following table shows the general fund tax law changes recommended by the Governor and the Joint Committee on Finance, along with their estimated 2019-21 fiscal effects. The table also shows the fiscal effects of 2019 AB 251, as recommended by the Committee.

Estimated Biennial Fiscal Effects of Budget Provisions and 2019 AB 251
Governor and Joint Finance
(In Millions)

	2019-21 Governor	2019-21 Jt. Finance	Change to Governor
Income and Franchise Taxes			
Family and Individual Reinvestment Credit	-$833.60	$0.00	$833.60
Income Tax Rate Reduction	0.00	-321.50	-321.50
Limit Capital Gains Exclusion	505.10	0.00	-505.10
Limit MAC for Manufacturers	516.60	0.00	-516.60
IRC Update	362.30	0.00	-362.30
Repeal Private School Tuition Deduction	24.30	0.00	-24.30
Child and Dependent Care Credit	-9.90	0.00	9.90
Modify Medical Insurance Deduction	-9.50	-9.50	0.00
Repeal NOL Carrybacks	6.10	0.00	-6.10
First-Time Home Buyer Account Deduction	-4.10	0.00	4.10
WHEFA Tax Exemption	-0.13	-0.13	0.00
Sunset Working Families Credit	0.10	0.10	0.00
Modify Broadcaster Apportionment	29.50	0.00	-29.50
Limit Deduction for Moving Expenses	1.00	0.00	-1.00
Low-Income Housing Credit Addback	0.45	0.00	-0.45
Interactive Effects	11.80	6.00	-5.80
Add Auditors	14.25	0.00	-14.25
General Sales and Use Tax			
Marketplace Provider Enforcement	93.90	0.00	-93.90
Repeal Clay Pigeon Exemption	0.35	0.00	-0.35
Repeal Farm-Raised Deer Exemption	0.21	0.00	-0.21
Sales Tax on Medical Marijuana	0.76	0.00	-0.76
Add Auditors	29.25	0.00	-29.25
Excise Taxes and Other Taxes			
Dispensary Surcharge on Medical Marijuana	1.51	0.00	-1.51
Tobacco Products Tax on E-Cigarettes	34.70	5.50	-29.20
Tax Little Cigars as Cigarettes	6.80	0.00	-6.80
Limit Exemption Between Related Entities	1.26	1.26	0.00
Tax Changes -- Budget Provisions	$783.01	-$318.27	-$1,101.28
Sales Tax - Marketplace Provider Enforcement	$0.00	$117.40	$117.40
Individual Income Tax - Tax Rate Reduction	0.00	-136.10	-136.10
Tax Changes -- AB 251	$0.00	-$18.70	-$18.70
Total Tax Changes	$783.01	-$336.97	-$1,119.98

Income and Franchise Taxes

1. FAMILY AND INDIVIDUAL REINVESTMENT CREDIT [LFB Paper 315]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $833,600,000	$833,600,000	$0

Governor: Create a nonrefundable individual income tax credit beginning in tax year 2019 called the family and individual reinvestment credit, with the credit equal to a minimum dollar amount or a percentage of the claimant's net tax liability, subject to phaseout based on the claimant's Wisconsin adjusted gross income (AGI) and filing status. Set the credit equal to the greater of 10% of the claimant's net tax liability, defined as the claimant's income tax liability prior to the application of the nonrefundable credit for taxes paid to other states, or (a) $100 if the claimant's filing status is single or head-of-household and the claimant's AGI is less than $80,000; (b) $50 if the claimant's filing status is married joint and the combined AGI of the claimant and the claimant's spouse is less than $125,000; and (c) $25 if the claimant's filing status is married separate and the claimant's AGI is less than $62,500. If the claimant's AGI, or combined AGI in the case of married joint filers, exceeds the preceding income thresholds but is less than $100,000 for single or head-of-household filers, $150,000 for married joint filers, and $75,000 for married separate filers, set the credit equal to the claimant's net tax liability multiplied by a percentage calculated as follows: (a) subtract the applicable income threshold from the claimant's AGI, or combined AGI in the case of married joint filers; (b) divide the difference by $20,000 if the claimant's filing status is single or head-of-household, $25,000 if the claimant's filing status is married joint, or $12,500 if the claimant's filing status is married separate; (c) subtract that fraction from 1.0; and (d) multiply that fraction by 10%. Under this structure, the 10% credit would phase down between $80,000 and $100,000 for single and head-of-household filers, $125,000 and $150,000 for married joint filers, and $62,500 and $75,000 for married separate filers, and the credit would phase out at the higher income thresholds for each filer type. A technical amendment would be needed to accomplish the Governor's intent with regard to married couples filing jointly. Limit the credit to claims filed within four years of the unextended due date for which the tax return was due. Prohibit part-year residents and nonresidents from claiming the credit, and allow only one credit per household per year, except permit married separate filers to each claim the credit, as provided above, and permit married persons living apart and treated as single under the Internal Revenue Code (IRC) to claim the credit as if a single or head-of-household claimant. Define household as a claimant and an individual related to the claimant as husband or wife. Prohibit individuals who may be claimed as a dependent on a return of another taxpayer from claiming the credit. Authorize the Department of Revenue (DOR) to administer the credit under standard general statutory provisions related to the income tax. Decrease individual income tax collections by an estimated $421,550,000 in 2019-20 and $412,050,000 in 2020-21 and in each year thereafter.

Joint Finance: Delete provision.

2. INCOME TAX RATE REDUCTION

GPR-Tax - $321,500,000

Joint Finance: Reduce the marginal tax rate that applies to income that falls within the second income tax bracket from 5.84% to 5.21%, effective with tax years that begin after December 31, 2018. Decrease estimated individual income tax collections by $168,900,000 in 2019-20 and $152,600,000 in 2020-21.

3. LIMITATION ON EXCLUSION FOR NONFARM CAPITAL GAINS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$505,100,000	- $505,100,000	$0

Governor: Modify the current law exclusion for long-term, nonfarm capital gains by limiting the exclusion based on the taxpayer's federal AGI, beginning in tax year 2019. Prohibit taxpayers from claiming the exclusion if the taxpayer's federal AGI exceeds income thresholds based on the taxpayer's filing status, except as follows. If a taxpayer's federal AGI, less 30% of eligible long-term gains from nonfarm assets, is below the income threshold amount, allow the taxpayer to claim an exclusion equal to 30% of the gain reduced by the amount of the taxpayer's federal AGI exceeding the income threshold. Set the income thresholds at $150,000 for married joint filers, $100,000 for single and head-of-household filers, and $75,000 for married separate filers. Increase individual income tax collections by an estimated $285,100,000 in 2019-20 and $220,000,000 in 2020-21. Under current law, a capital gains exclusion is provided for 60% of the capital gain from the sale of farm assets and 30% of the capital gain from the sale of other assets, provided those assets are held more than one year or are acquired from a decedent. Gains from assets held one year or less are fully taxed.

Joint Finance: Delete provision.

4. MANUFACTURING AND AGRICULTURE CREDIT LIMITATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$516,600,000	- $516,600,000	$0

Governor: Limit the amount of qualified production activities income (QPAI) from manufacturing activities a claimant may use as the basis for claiming the manufacturing and agriculture tax credit (MAC), as described below. The limit would not apply to income derived from agricultural activities.

Under current law, for corporate filers, the MAC is equal to 7.5% multiplied by the lesser of a claimant's: (a) eligible QPAI, as defined under the IRC, derived from manufacturing or agricultural property in Wisconsin; (b) income apportioned to Wisconsin for state corporate income/franchise tax purposes; or (c) income determined as taxable under state combined

reporting provisions. For business owners who file under the individual income tax, the credit is equal to 7.5% of the claimant's eligible QPAI, as defined under the IRC, that is derived from manufacturing or agricultural property in Wisconsin. There is no maximum amount of MAC that can be claimed in a tax year. However, the credit may not be used by individual filers to offset taxes on other sources of income. Further, the amount of income on which the MAC is calculated must be reduced by the amount of QPAI that is claimed under the credit for taxes paid to another state.

Pass-through entities, such as partnerships, limited liability companies (LLCs), and tax-option (S) corporations, cannot claim the MAC. Instead, the credit computed by those entities can pass through to the partners, members, or shareholders.

The bill would limit the amount of QPAI from manufacturing activities a claimant may use to compute the MAC to no more than $300,000. This provision would effectively provide for a maximum MAC claim of $22,500 for income derived from manufacturing activities. For example, a sole proprietor or a C corporation could only claim a total of $22,500 on their own manufacturing income. According to DOR, a pass-through entity would be able to compute the credit up to a maximum of $22,500 and pass through that amount in the aggregate to its partners, members, or shareholders. As a result, an individual would be able to claim a maximum of $22,500 for each pass-through business in which the individual has an ownership interest such that an individual could claim more than $22,500 in the aggregate. The administration indicates that a technical amendment will be needed to clarify the Governor's intent.

The provision would first apply for tax year 2019. The administration estimates that the provision would increase state tax revenues by $279,500,000 in 2019-20 and by $237,100,000 in 2020-21, and annually thereafter.

Joint Finance: Delete provision.

5. INTERNAL REVENUE CODE UPDATE [LFB Paper 316]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$362,300,000	- $362,300,000	$0

Governor: Update references to the IRC under the individual and corporate income/franchise taxes. For tax years beginning after December 31, 2013, and before January 1, 2017, create provisions adopting selected IRC provisions in P.L. 115-141, the Consolidated Appropriations Act of 2018, which made technical corrections to the Protecting Americans from Tax Hikes Act of 2015 (P.L. 114-113) and the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (P.L. 114-41). In addition, adopt P.L. 115-141 provisions making technical corrections to the American Jobs Creation Act of 2004 (P.L. 108-357) for purposes of the IRC definition in the 2013 Wisconsin Statutes for tax years beginning after December 31, 2003, and before January 1, 2005. Limit the current law definition of the IRC for tax years beginning after December 31, 2017 to apply only to tax years beginning before January 1, 2019, but specify that selected provisions of the Disaster Tax Relief and Airport Airway

Extension Act of 2017 (P.L. 115-63) and the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) first apply for Wisconsin purposes for tax years beginning after December 31, 2017, rather than at the same time as for federal purposes. For tax years beginning after December 31, 2018, create provisions adopting IRC provisions in effect as of December 31, 2018, with exceptions. Specify that the provisions of federal public laws that directly or indirectly affect the IRC apply for state tax purposes at the same time as for federal tax purposes, with exceptions, and specify that the definition of the IRC does not include amendments to the IRC enacted after December 31, 2018. Repeal obsolete provisions pertaining to tax years beginning after December 31, 2004, and before January 1, 2006.

Increase individual income and corporate income/franchise taxes by an estimated $187,850,000 in 2019-20, $174,450,000 in 2020-21, $250,675,000 in 2021-22, and $224,625,000 in 2022-23. Most of the fiscal effect is attributable to provisions in the Tax Cuts and Jobs Act of 2017, which results in tax increases estimated at $189,650,000 in 2019-20, $175,350,000 in 2020-21, $251,575,000 in 2021-22, and $225,525,000 in 2022-23, due to seven provisions not previously adopted in 2017 Wisconsin Act 231: (a) loss limitation for taxpayers other than corporations; (b) amortization of research and experimental expenditures; (c) accounting rules for accrual method taxpayers; (d) limitation on the deduction for business interest; (e) limitation on the deduction for entertainment, amusement, and recreation expenses; (f) limitation on the deduction of Federal Deposit Insurance Corporation premiums; and (g) modification of the limitation on the deduction for highly paid individuals. The remainder of the fiscal effect is attributable to provisions in the Bipartisan Budget Act of 2018 that would reduce general fund tax revenues by an estimated $1,800,000 in 2019-20 and $900,000 in 2020-21 and thereafter.

Joint Finance: Delete provision.

6. ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE SUM SUFFICIENT REESTIMATE [LFB Paper 331]

GPR	$211,954,900

Governor/Joint Finance: Provide funding of $211,954,900 in 2020-21 for the sum sufficient appropriation for the electronics and information technology manufacturing (EITM) zone tax credit program to reestimate anticipated claims during the biennium.

The EITM zone tax credit program provides a refundable payroll tax credit based upon 17% of the EITM zone payroll of full-time employees employed by the claimant. In addition to the payroll tax credit, if the Wisconsin Economic Development Corporation (WEDC) determines that a certified business makes a significant capital expenditure in the EITM zone, it can certify the business to receive additional tax benefits in an amount to be determined by WEDC, but not exceeding 15% of the business's capital expenditures in the EITM zone in the taxable year. WEDC can certify businesses as eligible to claim a payroll tax credit over 15 years for up to an aggregate amount of $1.50 billion and a capital expenditure credit over seven years for up to an aggregate amount of $1.35 billion.

On November 10, 2017, WEDC entered into a contract to certify three Wisconsin corporations that are affiliated with Hon Hai Precision Industry Co., Ltd. (Foxconn) as eligible to receive refundable EITM zone tax credits. The administration's sum sufficient reestimate reflects

projections of credit claims under the contract between Foxconn and WEDC. No funding is provided in 2019-20 because Foxconn did not meet the contractual requirement for earning payroll credits in 2018. Under the disbursement schedule in the contract, the maximum amount of EITM zone tax credits that could be earned for eligible activities occurring in calendar year 2019 is $211,957,143, comprised of $192,857,143 in capital expenditure credits and $19,100,000 in payroll credits. The administration estimates that expenditures related to EITM zone tax credits earned through the end of 2019 would not be reviewed and verified by WEDC, and claimed by the entities affiliated with Foxconn from DOR, until 2020-21.

7. EARNED INCOME TAX CREDIT [LFB Paper 317]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$18,300,000	- $26,400,000	- $8,100,000
PR	33,000,000	- 33,000,000	0
Total	$51,300,000	- $59,400,000	- $8,100,000

Governor: Increase GPR funding for the earned income tax credit (EITC) by $8,800,000 in 2019-20 and $9,500,000 in 2020-21 and increase PR funding by $16,000,000 in 2019-20 and $17,000,000 in 2020-21 to reflect the changes described below.

Current Law Sum Sufficient Reestimate. Decrease the estimated cost of the program by $1,600,000 in 2019-20 and $200,000 in 2020-21. Compared to base year funding of $100,600,000, the cost of the credit under current law is reestimated at $99,000,000 in 2019-20 and $100,400,000 in 2020-21.

Increase Credit Percentages for Claimants with One Child and Two Children. Modify the percentages used to calculate the EITC by increasing the percentages from 4% to 11% for claimants with one child and from 11% to 14% for claimants with two children, beginning in tax year 2019. This would increase the cost of the credit by $26,400,000 in 2019-20 and $26,700,000 in 2020-21. The credit percentage for claimants with three or more children (34%) would remain unchanged.

Combined Effect. The state credit is calculated as a percentage of the federal EITC, and is funded with a combination of GPR and PR funding. The program revenue is federal temporary assistance for needy families (TANF) funding transferred from the Department of Children and Families. The GPR portion is provided through a sum sufficient appropriation and covers the balance of the cost of the credit. Under the bill, total funding for the EITC would increase to $125,400,000 in 2019-20 and $127,100,000 in 2020-21, compared to base funding of $100,600,000. The PR base level funding of $69,700,000 would increase to $85,700,000 in 2019-20 and $86,700,000 in 2020-21. The estimated GPR sum sufficient portion would increase from the base level of $30,900,000 to $39,700,000 in 2019-20 and $40,400,000 in 2020-21. Under the bill, the maximum credit for claimants with one child would increase from $141 to $388 in tax year 2019 and from an estimated $143 to $395 in tax year 2020. The maximum credit for claimants with two children would increase from $641 to $816 in tax year 2019 and from an estimated $652 to $830 in tax year 2020. The maximum credit for claimants with three or more children would remain unchanged and would equal $2,229 in tax year 2019 and an estimated $2,267 in tax year

2020.

Joint Finance: Delete the Governor's recommendation to increase the credit percentages for claimants with one child and with two children. To reflect this action, decrease GPR funding by $10,400,000 in 2019-20 and $9,700,000 in 2020-21 and decrease PR funding by $16,000,000 in 2019-20 and $17,000,000 in 2020-21. Reestimate total claims for credits under current law provisions at $95,700,000 in 2019-20 and $97,400,000 in 2020-21 and decrease the sum sufficient GPR appropriation by $3,300,000 in 2019-20 and $3,000,000 in 2020-21.

8. HOMESTEAD TAX CREDIT -- CURRENT LAW REESTIMATE [LFB Paper 318]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $13,500,000	-$14,600,000	- $28,100,000

Governor: Decrease funding by $6,000,000 in 2019-20 and $7,500,000 in 2020-21 for the sum sufficient appropriation to reflect anticipated costs of the current law credit in the biennium. With these adjustments, estimated total funding for the credit would decrease from an adjusted base level of $84,900,000 to $78,900,000 in 2019-20 and $77,400,000 in 2020-21. The base funding level of $84,900,000 was reestimated by the Department of Administration (DOA) at $80,600,000 in November, 2018, after actual 2017-18 funding equaled $83,465,017.

Joint Finance: Decrease funding by $7,700,000 in 2019-20 and $6,900,000 in 2020-21 for the sum sufficient appropriation to reflect reduced expenditures. Reestimate total credit expenditures under current law provisions at $71,200,000 in 2019-20 and $70,500,000 in 2020-21.

9. HOMESTEAD TAX CREDIT -- MODIFICATIONS TO FORMULA FACTORS AND INDEXING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$38,900,000	- $38,900,000	$0

Governor: Modify the formula for calculating the homestead tax credit as follows: (a) increase the maximum household income amount (the level at which the credit completely phases out) from $24,680 to $30,000, effective for claims filed for 2020 and thereafter; (b) for claimants with household income exceeding $8,060, limit the credit to 80% of the amount by which property taxes, rent constituting property taxes, or both exceeds 6.655%, rather than 8.785%, of the household income exceeding $8,060, and (c) index the income threshold and maximum property tax formula factors beginning in 2020, for claims filed beginning in 2021, and the maximum household income formula factor beginning in 2021, for claims filed beginning in 2022, to reflect inflation. Beginning with claims filed for 2020, calculate the indexing adjustment in each year as an increase based on the percentage change in the consumer price index (CPI). Calculate the

percentage as the change in the 12-month average of the index for the period ending in July of the previous year, relative to the claim, and beginning with the previous August and the 12-month average of the index for the period for August, 2017, through July, 2018. Prohibit the adjustment from occurring unless the percentage is a positive amount. Define the CPI as the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the federal Department of Labor. Direct DOR to annually adjust the changes in the dollar amounts of the formula factors, incorporate those changes into the income tax forms and instructions, and annually adjust the slope (percentage) used in the credit's calculation so that the credit phases out at the maximum household income amount. Increase funding for the credit by an estimated $38,900,000 in 2020-21 to reflect these modifications. Including the indexing adjustment, the provision would increase the cost of the credit in future years, and those increases are estimated at $47,600,000 in 2021-22 and $55,900,000 in 2022-23 compared to current law. With the sum sufficient reestimate noted above, the cost of the credit is estimated at $116,300,000 in 2020-21.

Joint Finance: Delete provision.

10. INDIVIDUAL INCOME TAX RATE REDUCTION BASED ON SALES TAXES FROM OUT-OF-STATE RETAILERS [LFB Paper 319]

Governor: Modify the current law provision that requires a reduction in individual income tax rates in tax year 2019 to offset the additional sales and use tax collected from out-of-state retailers during the 12-month period from October 1, 2018, to September 30, 2019, by requiring the rate reduction be made to the lowest individual income tax rate (currently 4.0%), rather than to all four tax rates in proportion to the share of gross tax attributable to each of the four tax brackets established under current law. The reduction procedure was modified by 2017 Wisconsin Act 368 so that DOR determines the amount of sales and use tax reported by out-of-state retailers and the proportional tax rate reductions under the individual income tax and reports those determinations to the Governor, the Secretary of DOA, the Joint Committee on Finance, and the Legislative Audit Bureau (LAB). If the LAB's review of the determinations results in a different calculation of tax rates, the Joint Committee on Finance is required to determine which tax rates apply.

Joint Finance: Delete provision from the budget bill. [This provision was addressed by the Finance Committee in 2019 Assembly Bill 251, which would reduce the income tax rates for the two lowest income tax brackets to reflect additional sales tax revenue generated from remote sellers and marketplace providers. In combination with the income tax rate reduction described under Item 2, it is estimated that the rates for the two lowest income tax brackets would decrease from 4.00% and 5.84% under current law, respectively, to: (a) 3.89% and 5.08% in tax year 2019; and (b) 3.76% and 4.93% in tax year 2020.]

11. SUNSET PRIVATE SCHOOL TUITION DEDUCTION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$24,300,000	- $24,300,000	$0

Governor: Sunset the deduction for tuition expenses of up to $4,000 for each elementary school pupil and up to $10,000 for each secondary school pupil enrolled at a private school, beginning with tax year 2019. Increase individual income tax collections by an estimated $12,100,000 in 2019-20 and $12,200,000 in 2020-21 and annually thereafter.

Joint Finance: Delete provision.

12. CHILD AND DEPENDENT CARE TAX CREDIT [LFB Paper 320]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $9,900,000	$9,900,000	$0

Governor: Create a nonrefundable individual income tax credit for household and dependent care expenses, beginning with tax year 2020. Set the credit equal to 50% of the amount of the federal household and dependent care expenses credit, authorized under the IRC, that is claimed by a taxpayer on his or her federal income tax return for the same tax year. Limit the credit to claims filed within four years of the unextended due date for which the tax return was due. Prohibit claims for a period of less than 12 months, except by reason of the taxpayer's death, and prohibit part-year residents and nonresidents from claiming the credit. Require couples who are married at the end of a tax year to claim the credit as married joint filers for that tax year, except permit married persons living apart and treated as single under the IRC to claim the credit as if a single or head-of-household claimant. Authorize DOR to administer the credit under general statutory provisions related to the income tax. Sunset the current law deduction for household and dependent care expenses beginning in tax year 2020. Decrease individual income tax collections by an estimated $9,900,000 in 2020-21.

Joint Finance: Delete provision.

13. MEDICAL CARE INSURANCE DEDUCTION FOR SELF-EMPLOYED PERSONS [LFB Paper 321]

GPR-Tax	- $9,500,000

Governor/Joint Finance: Modify the limitation on the deduction under the individual income tax that self-employed persons may claim for medical care insurance for themselves, their spouse, and their dependents. Beginning in tax year 2020, sunset the current law provisions that limit the deduction for all persons to the person's aggregate net earnings from a trade or business that are subject to Wisconsin tax and, instead, limit the deduction to the person's aggregate wages, salary, tips, unearned income, and net earnings from a trade or business that are subject to Wisconsin tax.

Beginning in tax year 2020, sunset the current law provisions that prorate the deduction for nonresidents and part-year residents based on the percentage of the person's net trade or business earnings that are subject to Wisconsin tax relative to the person's total net trade or business earnings and, instead, prorate the deduction based on the percentage of the person's wages, salary, tips, unearned income, and net trade or business earnings that are subject to Wisconsin tax relative

to the person's wages, salary, tips, unearned income, and total net trade or business earnings. Relative to the proration, specify for married persons filing separately that “wages, salary, tips, unearned income, and net earnings from a trade or business" means the separate wages, salary, tips, unearned income, and net earnings from a trade or business of each spouse, and specify for married persons filing jointly that “wages, salary, tips, unearned income, and net earnings from a trade or business" means the total wages, salary, tips, unearned income, and net earnings from a trade or business of both spouses.

Repeal obsolete provisions regarding medical care insurance deductions that were sunset in prior tax years (originally, these provisions were sunset, rather than repealed, to allow taxpayers to file amended returns). Remove cross-references to repealed medical care insurance deductions under the itemized deduction credit. Reduce individual income tax collections by an estimated $9,500,000 in 2020-21. The reduction is estimated at $9,100,000 annually in subsequent years.

14. NET OPERATING LOSS CARRYBACKS [LFB Paper 322]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$6,100,000	- $6,100,000	$0

Governor: Repeal current law provisions under the individual income tax that allow net operating losses to be carried back for two tax years as an adjustment to federal AGI, beginning in tax year 2019. Increase individual income tax collections by an estimated $2,000,000 in 2019-20, $4,100,000 in 2020-21, and $2,000,000 in 2021-22 and 2022-23. Net operating loss carrybacks are not allowed under the state's corporate income/franchise tax, and generally, are not allowed for federal tax purposes. Generally, a net operating loss results when a taxpayer's business deductions exceed the taxpayer's gross income. This provision would not affect current law provisions that allow taxpayers to carry forward net operating losses for up to 20 years. Over time, the revenue gain due to the elimination of loss carrybacks would be offset by the revenue loss due to larger amounts of loss carry forwards.

Joint Finance: Delete provision.

15. FIRST-TIME HOME BUYER SAVINGS ACCOUNTS [LFB Paper 323]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $4,100,000	$4,100,000	$0

Governor: Create a program administered by DOR allowing an individual to become an account holder by creating an account, either individually or jointly with his or her spouse, to pay or reimburse the eligible costs of a first-time home buyer. Require the accounts to be created at any financial institution, defined as any bank, trust company, savings institution, savings bank, savings and loan association, industrial loan association, consumer finance company, credit union,

or any benefit association, insurance company, safe deposit company, money market mutual fund, or similar entity authorized to do business in Wisconsin. Specify that eligible costs mean the down payment and allowable closing costs, defined as disbursements listed in a settlement statement for the purchase of a single-family residence in Wisconsin by an account owner or beneficiary. Limit the program to individuals who reside in Wisconsin and have not owned or purchased, either individually or jointly, a single-family residence, defined as a residence intended for the occupation by a single family unit that is owned and occupied by a beneficiary as his or her principal residence, including a manufactured home, residential trailer, mobile home, condominium unit, or cooperative, during the 36 month period prior to the purchase of a single-family residence that is located in Wisconsin.

When an account is created, require the account holder to designate a single account beneficiary who is a first-time home buyer and who may be the account holder. Allow the account holder to change the beneficiary at any time. Allow individuals to jointly own accounts with their spouses. Provide that an individual may be the account holder of more than one account, but prohibit the account holder from having more than one account that designates the same beneficiary. Permit an individual to be the beneficiary of more than one account. Limit account contributions to cash and marketable securities and allow persons other than account holders to contribute to accounts.

Authorize account holders to withdraw funds from accounts to pay eligible costs for the benefit of the beneficiary or to reimburse the beneficiary for eligible costs that the beneficiary incurred and paid. Prohibit account holders from using account funds to pay any expenses incurred by the account holder in administering the account, but permit financial institutions to deduct service fees from accounts. Require account holders each year to submit the following information related to the account to DOR on forms prepared by the Department with the account holder's income tax return: (a) a list of account transactions during the tax year, including the account's beginning and ending balances; (b) the 1099 form issued by the financial institution relating to the account; and (c) a list of eligible costs, and other costs, for which account funds were withdrawn during the tax year. Authorize account holders to withdraw and transfer funds to a different financial institution without incurring a withdrawal penalty or affecting the account holder's Wisconsin AGI if the transfer occurs immediately and the funds are deposited in a first-time home buyer savings account at that institution. Require account holders to dissolve an account not later than 120 months (10 years) after its creation, and require financial institutions to distribute any proceeds in dissolved accounts to the account holder. Require proceeds be distributed to the account holder's estate if the account holder dies while funds remain in the account.

Create the following adjustments to federal AGI when calculating Wisconsin AGI under the state individual income tax. Require account holders to increase their AGI to include any distribution of proceeds from a dissolved account, and require account holders' estates to increase the AGI of the estate to include any distribution to an account holder's estate after the death of an account holder. In addition, require account holders to increase their AGI to reflect any amount withdrawn from an account for any reason other than payment or reimbursement of eligible costs, unless the withdrawal is the result of a transfer to an account at a different financial institution, as described above, or unless the disbursement is pursuant to a filing for bankruptcy protection. Impose a penalty of 10% on the amounts added to federal AGI under the preceding provisions. Authorize account holders to subtract from federal AGI the amount of any deposits into their

accounts, as well as any interest, dividends, or other gain accruing in the account if the interest, dividends, or other gain is redeposited into the account. Limit the subtraction for each account holder to $5,000 per year, or $10,000 if the account holder is a married joint filer, for each account to which the account holder makes a deposit. Limit the total amount subtracted to $50,000 of deposits per account for each beneficiary.

For federal tax purposes, no deduction for contributions would be allowed and the interest earnings accruing to accounts would be subject to tax. Since the accounts would be taxable on the "front end," no federal tax would be imposed at the time of withdrawal. Nor would withdrawals trigger a state tax, provided the proceeds would be used for eligible costs.

Require DOR to prepare and distribute any forms that an account holder is required to submit and any other forms that the Department believes are necessary to administer the program and the program's adjustments to income, described above. In addition, require DOR to prepare and distribute informational materials to financial institutions and potential home buyers. Finally, require DOR to impose a penalty on withdrawals from accounts that are additions to income, as described above, and direct the Department to administer the penalty as it assesses, levies, and collects income and franchise taxes.

The preceding provisions would apply beginning in tax year 2020. Reduce individual income tax collections by an estimated $4,100,000 in 2020-21. The reduction is estimated at $6,200,000 in 2021-22 and $7,500,000 in 2022-23.

Joint Finance: Delete provision.

16. EXCLUSION FOR INTEREST ON CERTAIN WHEFA BONDS AND NOTES

GPR-Tax	- $130,000

Governor/Joint Finance: Provide an exclusion from income under the individual income tax and the corporate income/franchise tax for interest received on bonds or notes issued by the Wisconsin Health and Educational Facilities Authority (WHEFA) provided the bonds or notes are issued in an amount totaling $35,000,000 or less, if the interest is not otherwise exempt. Extend the exclusion to tax years beginning on January 1 of the budget act's effective date, except extend the exclusion beginning in the subsequent tax year if the budget act takes effect after July 31. Reduce state tax collections by an estimated $130,000 in 2020-21, $260,000 in 2021-22, and $390,000 in 2022-23.

17. SUNSET WORKING FAMILIES TAX CREDIT [LFB Paper 315]

GPR-Tax	$100,000

Governor/Joint Finance: Sunset the nonrefundable working families tax credit, effective in tax year 2019. DOA indicates that the sunset would increase individual income tax collections by an estimated $50,000 annually. An additional amount of credits would be offset by credits claimed under the proposed family and individual reinvestment credit. The amount of used working families credits fluctuates from year to year, with 307 filers using credits totaling $106,878 in tax year 2017, but 259 filers using credits totaling only $76,692 in tax year 2016.

Under the credit, taxpayers with Wisconsin AGI below $9,000 ($18,000 if married joint) may claim a credit equal to their net tax liability. The credit phases out over the next $1,000 in income until eliminated when Wisconsin AGI exceeds $10,000 ($19,000 if married joint).

18. ILLINOIS-WISCONSIN RECIPROCITY [LFB Paper 324]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$13,838,000	$5,888,000	$19,726,000

Governor: Increase the estimated payment by $5,078,000 in 2019-20 and $8,760,000 in 2020-21 under the Illinois-Wisconsin individual income tax reciprocity agreement. Compared to the base funding level of $92,987,000, payments are estimated at $98,065,000 in 2019-20 and $101,747,000 in 2020-21.

Joint Finance: Increase the estimated payments by $4,735,000 in 2019-20 and $1,153,000 in 2020-21. Estimate payments under the Illinois-Wisconsin reciprocity agreement at $102,800,000 in 2019-20 and $102,900,000 in 2020-21.

19. VETERANS AND SURVIVING SPOUSES PROPERTY TAX CREDIT

GPR	$8,040,000

Governor/Joint Finance: Increase funding by $3,470,000 in 2019-20 and $4,570,000 in 2020-21 for the refundable veterans and surviving spouses property tax credit. With these adjustments, base funding of $30,430,000 would be increased to $33,900,000 in 2019-20 and $35,000,000 in 2020-21. The base funding level of $30,430,000 was reestimated by DOA at $32,800,000 in November, 2018, after actual 2017-18 funding equaled $32,513,354.

The credit is equal to real and personal property taxes paid on a principal dwelling by eligible veterans and surviving spouses. An eligible veteran is a person who: (a) served on active duty in the U.S. armed forces; (b) was a resident of this state at the time of entry into that service or had been a Wisconsin resident for any consecutive five-year period after entry; (c) is a resident of the state for purposes of receiving veterans benefits; and (d) has a service-connected disability of 100% or a 100% disability rating based on individual employability. An eligible unremarried surviving spouse includes persons who receive federal dependency and indemnity compensation as a result of the deceased spouse's active duty service or whose spouse died while on active duty in the U.S. armed forces, the National Guard, or the U.S. armed forces reserves or whose deceased spouse had a service-connected disability.

20. INTEREST ON OVERPAYMENT OF TAXES

GPR	$500,000

Governor/Joint Finance: Increase the estimated payments from the sum sufficient appropriation by $500,000 to reflect payments estimated at $1,500,000 for interest on tax overpayments in 2019-20. Estimate the payments at $1,000,000 in 2020-21, the same amount as

the base funding level. The appropriation provides interest on tax overpayments refunded to taxpayers as the result of a settlement or decision by DOR, the Tax Appeals Commission, or a court.

21. REPAYMENT CREDIT

GPR	- $62,000

Governor/Joint Finance: Decrease funding by $31,000 annually for the sum sufficient appropriation for the repayment (claim of right) credit. With these adjustments, base funding of $163,000 would be decreased to $132,000 each year. The credit is extended to taxpayers who must repay income on which taxes were paid in a prior year.

22. BROADCASTER APPORTIONMENT MODIFICATIONS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$29,500,000	- $29,500,000	$0
SEG-Rev	1,070,000	- 1,070,000	0
Total	$30,570,000	- $30,570,000	$0

Governor: Repeal several provisions related to the apportionment of broadcaster income under the individual income tax and corporate income/franchise tax, beginning in tax year 2019, to conform with the law previous to 2017 Act 59. As described below, the current law apportionment for broadcasters would change from using the commercial domicile of the broadcaster's advertisers to using market-based sourcing based on audience share in Wisconsin.

Under Act 59, beginning in tax year 2019, a broadcaster must perform two calculations in order to determine the amount of gross receipts apportioned to the state. Under the first calculation, a broadcaster's gross receipts from advertising revenue are apportioned to Wisconsin if the advertiser's commercial domicile is located in Wisconsin, and a broadcaster's gross royalties and other gross receipts from the use or license of intangible property are apportioned to Wisconsin if the commercial domicile of the purchaser or licensee is in Wisconsin and that purchaser or licensee has a direct contractual relationship under which royalties and receipts are derived. Under the second calculation, a broadcaster must apportion to Wisconsin 1% of its gross receipts nationwide from advertising and royalties and other gross receipts received for the use or license of intangible property. If the second calculation results in a larger amount of gross receipts apportioned to the state than under the first calculation, a broadcaster apportions gross receipts as determined under the second calculation. However, a broadcaster is liable for no more than 40% more than the amount of gross receipts that would have been apportioned to the state if the broadcaster had used the first method of apportionment. If a multi-state broadcaster does not have any gross receipts apportioned to the state under the first calculation, the second calculation does not apply and the broadcaster's tax liability is eliminated.

According to the administration, repealing these provisions would require broadcasters to apportion income under the general state income and franchise tax provisions, under which the income of multi-state broadcasters would be apportioned to Wisconsin based on the ratio of the

broadcaster's sales in Wisconsin during a tax year to its total sales everywhere. Sales of services, such as advertising, would be sourced to the state where the benefit of the services is received. Receipts from licensing intangible property, such as television and radio programming material, would be sourced to the state where the use of the intangible property occurs. Prior to Act 59, DOR determined that multi-state broadcasters had to apportion income based on the portion of a broadcaster's viewing audience located in Wisconsin compared to its viewing audience everywhere because the benefit of the service was received, and the use of the intangible property occurred, at the viewer's location in Wisconsin.

The administration estimates that the provision would increase general fund tax revenues by $16,200,000 in 2019-20 and by $13,300,000 in 2020-21 and annually thereafter, and increase segregated revenues from the economic development surcharge by $590,000 in 2019-20 and by $480,000 in 2020-21. [The GPR and SEG funding changes for economic development operations and programs resulting from the change in revenue are shown under "Wisconsin Economic Development Corporation."]

Joint Finance: Delete provision.

23. ENTERPRISE ZONE TAX CREDIT SUM SUFFICIENT REESTIMATE [LFB Papers 326, 327, and 331]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $21,600,000	$31,000,000	$9,400,000

Governor: Decrease funding by $4,000,000 in 2019-20 and by $17,600,000 in 2020-21 for the sum sufficient appropriation for refundable enterprise zone tax credits to reestimate anticipated claims during the biennium. The reestimate reflects projections of credit claims for major economic development projects for which WEDC has, to date, contracted tax credit awards. With the adjustments, estimated total funding would decrease from base funding of $68,300,000 to $64,300,000 in 2019-20 and to $50,700,000 in 2020-21. Businesses that operate in enterprise zones established by WEDC can claim tax credits for jobs created and retained, training costs, capital expenditures, and purchases from Wisconsin vendors.

Joint Finance: Reestimate the amount of GPR funding necessary to pay for the enterprise zone tax credit at $81,700,000 in 2020-21. Compared to the Governor's recommendation, the reestimate is higher by $31,000,000 in 2020-21.

24. ENTERPRISE ZONE TAX CREDIT PROGRAM

Governor: Modify the procedure used for designating zones under the enterprise zone tax credit program to generally conform with the law previous to 2017 Act 369, as described below. Under current law, WEDC may designate an unlimited number of enterprise zones, with each designation subject to approval by the Joint Committee on Finance under a 14-day passive review

process.

Repeal the current law requirement for WEDC to notify the Committee in writing of its intent to designate a new enterprise zone, including describing the new zone and the purpose for which WEDC proposes to designate the new zone. Further, the bill would repeal the requirement for the Committee to approve a zone before WEDC may designate a new enterprise zone and repeal provisions allowing WEDC to designate an unlimited number of zones, so long as each zone is so approved by the Committee. Instead, the bill would allow WEDC to designate new zones under the enterprise zone tax credit program without the approval of the Committee, but would specify that no more than 35 zones may be designated in total. Prior to Act 369, the limit had been 30 zones.

The bill would restore the pre-Act 369 provision that, if WEDC revokes all certifications for tax benefits within a previously designated enterprise zone, WEDC may cancel the designation of that enterprise zone. After canceling the designation of an enterprise zone, WEDC may designate a new enterprise zone subject to the proposed 35-zone limit. According to WEDC, there are currently 28 active enterprise zones. The Governor's recommendation did not include any funding for increased expenditures as a result of this provision.

Joint Finance: Delete provision.

25. JOBS TAX CREDIT SUM SUFFICIENT REESTIMATE

GPR	- $16,300,000

Governor/Joint Finance: Reduce funding by $7,100,000 in 2019-20 and by $9,200,000 in 2020-21 for the sum sufficient appropriation for jobs tax credits to reestimate claims during the biennium. The reestimate reflects projections for credit claims for economic development projects for which WEDC has awarded tax credits. With the adjustments, estimated total funding would decrease from base funding of $12,100,000 to $5,000,000 in 2019-20 and to $2,900,000 in 2020-21.

Pursuant to 2015 Wisconsin Act 55, the refundable jobs tax credit was consolidated with the nonrefundable economic development tax credit into the refundable business development tax credit beginning in 2016. The jobs tax credit was sunset after 2015. However, if WEDC allocated tax benefits in a contract to claimants prior to December 31, 2015, or if WEDC had entered into a letter of intent to enter into a contract before that date, claimants may compute and claim the credit for as long as the contract specifies. WEDC has entered into contracts through tax year 2023 for businesses to earn, compute, and claim the credit.

26. BUSINESS DEVELOPMENT TAX CREDIT SUM SUFFICIENT REESTIMATE

[LFB Papers 326, 328, and 331]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,300,000	$2,300,000	$6,600,000

Governor: Increase funding by $2,000,000 in 2019-20 and by $2,300,000 in 2020-21 for the sum sufficient appropriation for business development tax credits to reestimate anticipated claims during the biennium. The reestimate reflects projections of credit claims for economic development projects for which WEDC has entered into contracts, and is expected to enter into future contracts, to award tax credits. With the adjustments, estimated total funding would increase from base funding of $16,100,000 to $18,100,000 in 2019-20 and to $18,400,000 in 2020-21. Businesses certified by WEDC can earn credits for a portion of wages paid to employees, training costs for employees, personal property investments, real property investments, and wages paid to employees performing corporate headquarters functions in Wisconsin.

Joint Finance: Reestimate the amount of GPR funding necessary to pay for the business development tax credit at $18,700,000 in 2019-20 and $20,100,000 in 2020-21. Compared to the Governor's recommendation, the reestimate is higher by $600,000 in 2019-20 and $1,700,000 in 2020-21.

27. BUSINESS DEVELOPMENT TAX CREDITS FOR ENERGY EFFICIENCY AND USE OF RENEWABLE RESOURCES [LFB Papers 329 and 331]

Governor: Authorize WEDC, for a project that satisfies the current law requirements under the business development tax credit program to earn the 5% capital investment credit for a real property investment, to award an additional tax credit in an amount equal to up to 5% if the investment is made for purposes of energy efficiency or the generation of energy from renewable resources. Thus, the combined total credit would be 10% of the real property investment in that capital investment project. WEDC would be required to include in any contract for the award of such tax benefits a requirement that the recipient provide documentation to WEDC verifying all expenditures and showing the energy efficiency or renewable energy impacts of those expenditures.

Although the proposal would authorize WEDC to enter into contracts for tax credits for energy efficiency and use of renewable resources, the bill does not include a provision that creates such a tax credit under the income or franchise tax statutes. Thus, a technical amendment would be necessary to accomplish the Governor's intent. The Governor's recommendations did not include any funding for increased expenditures as a result of this provision or specify for which tax year the new tax credit would first apply.

Joint Finance: Delete provision.

28. REFUNDABLE RESEARCH TAX CREDIT SUM SUFFICIENT REESTIMATE

GPR	$12,300,000

Governor/Joint Finance: Increase funding by $5,400,000 in 2019-20 and by $6,900,000 in 2020-21 for the sum sufficient appropriation for the refundable portion of the research tax credit to reestimate anticipated claims during the biennium. With the adjustments, the estimated total funding would increase from base funding of $2,100,000 to $7,500,000 in 2019-20 and to $9,000,000 in 2020-21. Under current law, the state provides research credits to businesses equal

to a percentage of the increase in a business's qualified research expenses, as defined under the IRC, for research conducted in Wisconsin. Pursuant to 2017 Act 59, up to 10% of the amount of the research credit computed may be claimed as a refundable credit beginning in tax year 2018. The remaining portion of the credit is nonrefundable.

29. INCREASE REFUNDABLE PORTION OF THE RESEARCH TAX CREDIT [LFB Paper 325]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,250,000	- $2,250,000	$0

Governor: Modify the partially refundable research tax credit (including the engine and energy efficiency credits), as computed under current law, to increase the refundable portion from up to 10% of the credit amount to up to 20% of the credit amount. The provision would first apply to new research credit claims beginning in tax year 2020. The administration estimates increased expenditures of $2,250,000 in 2020-21 and $9,000,000 in 2021-22 and annually thereafter. Together with the cost to continue the refundable portion of the research tax credit under current law, total funding provided under the bill would be $11,250,000 in 2020-21, and the cost of the refundable portion of the credit is estimated to increase to $18,000,000 in 2021-22 and annually thereafter.

Joint Finance: Delete provision.

30. ELIGIBILITY FOR REFUNDABLE RESEARCH TAX CREDIT [LFB Paper 325]

Governor: Specify that claimants under the EITM zone tax credit program would not be eligible to receive the refundable portion of the research tax credit. The nonrefundable portion of the research tax credit could still be claimed. The administration indicates that this provision would prevent a claimant from receiving multiple refundable tax benefits under both the refundable research tax credit and the EITM zone tax credit program for the same expenditure.

Joint Finance: Delete provision.

31. DEDUCTION FOR BUSINESS EXPENSES FOR MOVING OUT-OF-STATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$1,000,000	- $1,000,000	$0

Governor: Specify that, for taxable years beginning on January 1, 2019, expenses related to moving business operations outside the state (or the United States) may not be deducted for individual income and corporate income/franchise tax purposes, as described below.

In general, state definitions for income, including deductible expenses, reference the IRC in

effect on December 31, 2017, under current law. As noted, the bill would update such references to the IRC in effect on December 31, 2018. In each of these cases, state law provides a deduction for the expenses a business pays to relocate operations from one location to another.

Taxpayers subject to the individual income tax or corporate income/franchise tax would be required to adjust their Wisconsin AGI or net income to add back the amount deducted for federal income tax purposes under the IRC as moving expenses paid or incurred during the taxable year to move the taxpayer's Wisconsin business operation, in whole or in part, to a location outside the state or to move the taxpayer's business operation outside the United States. As a result, the bill would prohibit a deduction for moving expenses paid or incurred during the taxable year to move any portion of the taxpayer's Wisconsin business operation to a location outside the state.

The bill would define "moving expenses" to mean expenses incurred to move the operation of a business, including: (a) vehicle rentals; (b) storage rentals; (c) moving company expenses for packing, unpacking, and transportation; (d) consulting fees and surveys; (e) brokerage commissions or fees; (f) architecture, design, and remodeling expenses; (g) expenses paid or incurred to sell property in this state; (h) loss on the sale of property in this state; (i) lease cancellation fees; (j) expenses paid or incurred for professional services, including legal services; (k) utility fees; (l) employee wages; (m) reimbursement of an employee's expenses; (n) the cost of meals, lodging, and fuel; and (o) mileage deductions for vehicle use.

The provision would first apply to taxable years beginning on January 1, 2019. The administration estimates that general fund tax revenues would increase by $500,000 annually.

Joint Finance: Delete provision. [This provision was addressed in 2019 Assembly Bill 10.]

32. ADDITION FOR LOW-INCOME HOUSING TAX CREDIT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$450,000	- $450,000	$0

Governor: Require the low-income housing tax credit to be added back to the taxable income of the person or entity claiming the credit. Current law generally requires state business tax credits to be added to income in the tax year for which they are computed, regardless of whether or not the credit is used. The bill would conform the treatment of the low-income housing tax credit to other business tax credits in this regard. The provision would first apply to taxable years beginning on January 1, 2019. The administration estimates that the provision would increase general fund tax revenues by $140,000 in 2019-20 and by $310,000 in 2020-21.

Joint Finance: Delete provision.

33. LIMIT THE HISTORIC REHABILITATION TAX CREDIT [LFB Paper 330]

Governor: Specify that WEDC may not certify anyone to claim more than a total of $3,500,000 for the state historic rehabilitation tax credit, for any project, regardless of the number of parcels on which the project is undertaken, beginning July 1, 2019. Under current law, the amount of historic tax credits that WEDC can certify a person to receive is no more than $3,500,000 for all rehabilitation projects undertaken on the same parcel. The bill would sunset the current law limit as of June 30, 2019.

Joint Finance: Delete provision.

34. SUNSET THE STATE SUPPLEMENT TO THE FEDERAL TAX CREDIT FOR NONHISTORIC QUALIFIED REHABILITATED BUILDINGS

Governor: Sunset the state supplement to the federal tax credit for nonhistoric qualified rehabilitated buildings (buildings constructed prior to 1936) for taxable years beginning after December 31, 2018. The state supplement was effectively sunset under the federal Tax Cuts and Jobs Act of 2017, which repealed the federal credit. According to the administration, no tax credit contracts currently in effect with WEDC would be affected.

Joint Finance: Delete provision.

35. REPAYMENT OF TAX CREDITS [LFB Paper 331]

Governor: Require that, no later than seven days after WEDC receives a repayment of tax credits, WEDC must remit the full amount of that payment to the Secretary of DOA for deposit in the general fund. Current law typically requires state agencies to deposit funds received on behalf of the state into the state treasury within one week, but such requirements do not apply to WEDC, which is not a state agency, and the statutes do not set out how frequently WEDC must repay funds to DOA. According to the administration, the provision is intended to conform to a legislative recommendation by the Legislative Audit Bureau as part of its May, 2017, report (LAB 17-9).

Joint Finance: Delete provision.

36. TAX LAW CHANGE INTERACTION EFFECTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$11,800,000	- $5,800,000	$6,000,000

Governor: Increase income and franchise tax collections by an estimated $4,900,000 in 2019-20 and $6,900,000 in 2020-21 to account for the interaction effects of proposed changes regarding taxable income, tax rates, and tax credits. Increases of $7,000,000 annually are estimated in future years.

Joint Finance: Reduce the estimated amounts by $2,900,000 both in 2019-20 and 2020-21 to reflect the interactive effect on nonrefundable tax credits of the income tax rate reductions in the budget and in AB 251. Estimate the interactive effect as an increase in individual income taxes of $2,000,000 in 2019-20 and $4,000,000 in 2020-21.

Sales and Use Taxes

1. REQUIRE MARKETPLACE PROVIDERS TO COLLECT SALES TAX [LFB Paper 345]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$93,900,000	- $93,900,000	$0

Prior to the June 21, 2018, U.S. Supreme Court decision in *Wayfair v. South Dakota*, out-of-state sellers that lacked a physical presence in Wisconsin (generally sellers that had no property or employees physically located in the state) were not required to collect sales and use tax. The *Wayfair* decision overturned this physical presence requirement and held that states can require remote sellers to collect and remit sales tax, provided the imposition of the tax meets certain other conditions. In response to *Wayfair*, DOR issued an emergency rule that requires a remote seller to collect and remit sales tax beginning October 1, 2018, if, in the previous or current year, the seller: (a) has annual gross sales into Wisconsin exceeding $100,000; or (b) makes 200 or more separate sales transactions in Wisconsin. The Legislature codified DOR's emergency rule under 2017 Act 368. The provisions of the bill described below are designed to further address sales tax collection and remittance by remote sellers following *Wayfair*.

Governor: Require a marketplace provider to collect and remit state sales or use tax on sales facilitated by the marketplace provider on behalf of a marketplace seller as follows.

Definition of a Marketplace Provider. Define a marketplace provider as a person who contracts with a seller to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller's products through a physical or electronic marketplace operated by the person, and who engages, either directly or through one or more affiliated persons, in any of the following:

a. transmitting or communicating the offer or acceptance between the seller and a buyer.

b. owning or operating the technology or electronic or physical infrastructure that brings the buyer and seller together.

c. providing a virtual currency that a buyer is allowed or required to use to purchase a product from the seller.

d. developing software or conducting research and development for activities described in "b" that are directly related to a physical or electronic marketplace operated by the person or an affiliated person.

In addition to meeting one of the conditions described above, to be considered a marketplace provider, the person also would have to engage in any of the following with respect to the seller's products: (a) providing payment processing services; (b) providing fulfillment or storage services; (c) listing products for sale; (d) setting prices; (e) branding sales as those of the marketplace provider; (f) taking orders; (g) advertising or promotion; or (h) accepting or assisting with returns or exchanges or providing other types of customer service.

An affiliated person would mean a person who, with respect to another person: (a) has an ownership interest of more than five percent, whether direct or indirect, in the other person; or (b) is related to the other person because a third person, or group of third persons who are affiliated persons with respect to each other, holds an ownership interest of more than five percent, whether direct or indirect, in the related person.

Definition of a Marketplace Seller and Expanded Definition of a Retailer. Under the bill, a marketplace seller would mean a seller who sells products through a physical or electronic marketplace operated by a marketplace provider, regardless of whether the seller is required to be registered with DOR. In addition, the bill would add to the definition of a retailer a marketplace provider who facilitates, on behalf of a marketplace seller, taxable sales of goods and services that are sourced to Wisconsin. The bill would expand the definition of a retailer for purposes of sales tax collection to mean every seller who makes any sale of tangible personal property or services, regardless of whether the sale is made on the seller's own behalf or on behalf of another person (the bill would similarly modify the definitions of sale and seller under current law to clarify that the definitions apply regardless of whether the sale is made on the seller's own behalf or on behalf of another person). As a result, both marketplace providers and marketplace sellers could be regarded as retailers for purposes of the sales tax.

Liability of Marketplace Providers and Marketplace Sellers. The bill would stipulate that a marketplace provider is liable to collect and remit the sales and use tax on sales made on behalf of a marketplace seller. In addition, for each sale facilitated on behalf of a marketplace seller, the marketplace provider would be required to obtain and maintain each exemption certificate provided by a purchaser claiming an exemption from the tax. The sales price subject to tax would include the price charged to a purchaser, including any charges for facilitating the sale on the seller's behalf.

The marketplace provider would be required to notify the marketplace seller that it will collect and remit the sales tax. If the marketplace provider gives such notification, only the marketplace provider could be audited and held liable for the tax. If no such notification is provided, however, both the marketplace provider and the marketplace seller could be audited and held liable for the tax.

Relief from Liability. Under the bill, if a marketplace provider is audited by DOR for sales occurring prior to January 1, 2021, the marketplace provider may obtain relief from liability determined in the audit, not to exceed five percent of the total tax due for each sale, if it could

demonstrate to DOR's satisfaction that: (a) the sale was made solely on behalf of a marketplace seller; (b) the marketplace provider properly notified the marketplace seller as described above; and (c) the retail sale was properly sourced to Wisconsin (the sale took place in Wisconsin). This liability relief would not apply to sales in which the marketplace provider improperly determined where the sale takes place.

According to DOR, the purpose of this liability relief would be to acknowledge the administrative burden that marketplace providers would experience to come into compliance with the law, and to incent those providers to collect on behalf of marketplace sellers, with the ultimate goal of relieving marketplace sellers from the burden of collecting and remitting sales tax on their sales in Wisconsin. Nothing in the bill would remove a purchaser's obligation to remit use tax for any transaction on which a marketplace provider or marketplace seller did not collect and remit the tax.

Deductions. The bill would specify that a marketplace provider who collects and remits sales or use tax on behalf of a marketplace seller could claim a deduction for bad debts against their sales tax liability if either the marketplace provider or marketplace seller could claim a deduction for bad debt under federal income tax law. A marketplace seller would not be allowed to claim such a deduction for the same transaction.

A marketplace seller could claim a deduction on their sales tax return for the sales price of each sale for which the seller received notification from the marketplace provider that the latter would collect sales tax on the former's behalf.

Repeal the Distribution Facility Exception. Under current law, a person is not required to collect and remit sales tax on sales made on behalf of third-party sellers if the person, or the person's affiliate: (a) operates a distribution facility where no retail sales take place; (b) discloses to the customer that the third-party is the seller and the third-party seller owns the goods being sold; and (c) makes no sales of goods for which the customer takes possession of the goods at a location operated by the person or any of the person's affiliates. DOR is not aware of any such persons currently operating in Wisconsin that are eligible for the distribution facility exception under current law. The bill would repeal this exception.

Other Provisions. The bill would modify laws governing the room tax, the local rental car tax, the local food and beverage tax, and the state rental vehicle fee to conform to this provision, so that the responsibility for tax collection and remittance is with the same person for each tax or fee. The provision would take effect on the first day of the calendar quarter that is at least three months after publication of the bill, or, for a marketplace provider, the day on which the provider is notified by DOR to collect sales and use tax on sales made on behalf of third-party sellers, whichever is earlier. The administration estimates that the provision would increase state tax revenues by $26,800,000 in 2019-20 and $67,100,000 in 2020-21 and annually thereafter. In addition, state tax revenue estimates for the 2019-21 biennium included an annual estimate of $60 million in increased sales tax collections related to *Wayfair* under current law. Together with this provision, total *Wayfair*-related sales tax collections would be estimated at $86,800,000 in 2019-20 and $127,100,000 in 2020-21 and annually thereafter.

Joint Finance: Delete provision from the budget bill. [This provision was addressed by the

Finance Committee in 2019 Assembly Bill 251.]

2. REPEAL SALES TAX EXEMPTION FOR CLAY PIGEONS AND GAME BIRDS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$350,000	- $350,000	$0

Governor: Repeal the exemption from the general sales and use tax for clay pigeons and live game birds sold to licensed bird hunting preserves and for clay pigeons sold to an eligible shooting facility. An eligible shooting facility is one that is: (a) required to collect and remit sales tax on its charges for shooting at the facility; or (b) a nonprofit that charges for shooting at the facility but is otherwise exempt from remitting sales tax on such charges under the current law exemptions for occasional sales or for a nonprofit gun club that provides safety classes to at least 25 individuals annually.

The provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates the repeal of the exemption would increase state tax revenues by $150,000 in 2019-20 and $200,000 in 2020-21 and annually thereafter.

Joint Finance: Delete provision.

3. REPEAL SALES TAX EXEMPTION FOR FARM-RAISED DEER

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$211,800	- $211,800	$0

Governor: Repeal the exemption from the general sales and use tax for farm-raised deer sold to a person who is operating a hunting preserve or game farm in this state. The provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates the repeal of the exemption would increase state tax revenues by $90,800 in 2019-20 and $121,000 in 2020-21 and annually thereafter.

Joint Finance: Delete provision.

4. IMPOSE SALES TAX ON MEDICAL MARIJUANA

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$756,300	- $756,300	$0

Governor: Impose the state sales and use tax on retail sales of cannabis and tetrahydrocannabinols procured from a licensed dispensary (medical marijuana).

Under current law, an exemption is provided from the general sales and use tax for retail sales of prescription drugs. The provision would specify that this exemption does not apply for sales of medical marijuana. As a result, such sales would be subject to sales tax. The provision would take effect on the effective date of the bill. The administration estimates the provision would increase state tax revenues by $252,100 in 2019-20 and $504,200 in 2020-21 and annually thereafter.

The legalization of the sale of medical marijuana and the creation of a licensed dispensary would be authorized under separate provisions of the bill [for additional information, see the section of this document entitled, "Marijuana -- Related Provisions"].

Joint Finance: Delete provision.

Excise Taxes and Other Taxes

1. DISPENSARY SURCHARGE ON SALES OF MEDICAL MARIJUANA

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$1,512,500	- $1,512,500	$0

Governor: Impose a surcharge at the rate of 10 percent of the total price of medical marijuana sold or otherwise dispensed by a dispensary licensed by the Department of Agriculture, Trade, and Consumer Protection to an unrelated person, including any charge by the dispensary that is necessary to complete the sale (dispensary surcharge). A dispensary would be considered related to another person if the two entities: (a) have significant common purposes and substantial common membership; or (b) directly or indirectly, have substantial common direction or control.

Determination of Total Price and Sale Restrictions. Under the bill, the total price subject to the dispensary surcharge could not be reduced by costs or expenses incurred by the dispensary, such as fees, delivery, freight, transportation, packaging, handling, marketing, taxes, and import fees or duties, regardless of whether such costs or expenses are separately stated on the invoice. The total price also could not be reduced by the value or cost of discounts or free promotional or sample products. A dispensary could not state the dispensary surcharge separately on an invoice or other similar document given to the purchaser or recipient of medical marijuana, and could not sell or otherwise dispense medical marijuana without first obtaining a business tax registration certificate from DOR, as prescribed under current law.

The provision would take effect on the effective date of the bill. The administration estimates the dispensary surcharge would increase state tax revenues by $504,200 in 2019-20 and $1,008,300 in 2020-21 and annually thereafter.

The legalization of the sale of medical marijuana and the creation of a licensed dispensary would be authorized under separate provisions of the bill [for additional information, see the section of the document entitled "Marijuana -- Related Provisions"].

Joint Finance: Delete provision.

2. IMPOSE TOBACCO PRODUCTS TAX ON VAPOR PRODUCTS [LFB Paper 350]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$34,700,000	- $29,200,000	$5,500,000

Governor: Impose the tobacco products tax on vapor products at the rate of 71 percent of the manufacturer's list price to distributors and impose an inventory tax on vapor products held in inventory for sale or resale.

Definition of a Vapor Product. A vapor product subject to the tobacco products tax would be defined as any noncombustible product that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that can be used to produce vapor from a solution or other substance, regardless of the product's shape or size or whether the product contains nicotine. A vapor product would include an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device, and would include any cartridge or other container of a solution or other substance that is intended to be used with such a device, regardless of whether the solution or other substance contains nicotine. In addition, vapor products would be added to the definition of tobacco products under current law. A vapor product would not include certain products regulated as a drug or device under federal law. DOR indicates the intent of this provision is to exempt products approved for smoking cessation by the Food and Drug Administration from the definition of taxable vapor products.

Inventory Tax Imposed. The bill would levy an inventory tax at a rate equal to 71 percent of the manufacturer's list price on vapor products that are held in inventory by distributors or retailers for sale or resale. Any person liable for this tax would be required to determine the number of vapor products in their possession on the first day of the third month following publication of the bill and would have to file a return and pay the applicable taxes no later than 30 days thereafter.

Definition of Manufacturer's List Price. Current law does not specifically define manufacturer's list price for purposes of the tobacco products tax. The administration indicates an explicit statutory definition is needed to clarify DOR's longstanding treatment of the total price subject to the tobacco products tax. The bill would define manufacturer's list price as the total price of tobacco products charged by the manufacturer or other seller to an unrelated distributor. The total price would include all charges by the manufacturer or other seller that are necessary to

complete the sale, and could not be reduced by any cost or expense incurred by the manufacturer or other seller such as fees, delivery, freight, transportation, packaging, handling, marketing, federal excise taxes, and import fees or duties, regardless of whether such cost or expense is separately stated on an invoice. The total price also could not be reduced by the value or cost of discounts or free promotional or sample products. A manufacturer or other seller would be considered related to a distributor if the two parties have significant common purposes and substantial common membership or, either directly or indirectly, have substantial common direction or control.

The provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates levying the tobacco products tax on vapor products would increase state tax revenues by $14,900,000 in 2019-20 and $19,800,000 in 2020-21 and annually thereafter. The Governor's recommendations did not include any revenues associated with the imposition of the inventory tax.

Joint Finance: Delete provision. Instead, define a vapor product to mean a noncombustible product that produces vapor or aerosol for inhalation from the application of a heating element to a liquid or other substance that is depleted as the product is used. Include vapor products in the definition of tobacco products, and impose an excise tax on vapor products at the rate of $0.05 per milliliter on the volume of the liquid or other substance as listed by the manufacturer and a proportionate tax at the like rate on all fractional parts of a milliliter thereof. Require every distributor to file a return showing the quantity and taxable price of milliliters of vapor product brought, shipped, or transported into Wisconsin for sale in the state, or made, manufactured, or fabricated in Wisconsin for sale in the state, during the preceding month. Specify that the provision would take effect on October 1, 2019. Estimate increased excise tax revenues relative to current law of $2,300,000 in 2019-20 and $3,200,000 in 2020-21. Compared to the bill, the estimated excise tax revenues are lower by $12,600,000 in 2019-20 and $16,600,000 in 2020-21.

3. IMPOSE CIGARETTE TAX ON LITTLE CIGARS [LFB Paper 351]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$6,800,000	- $6,800,000	$0

Governor: Change the tobacco products tax imposed on little cigars to be set at the same rate as the excise tax rate currently imposed on cigarettes. Certain administration and enforcement procedures under current law regarding the cigarette tax would also apply to the administration and enforcement of the tax on little cigars. These would include: (a) the imposition of an inventory tax on little cigars held in inventory for sale or resale; (b) the affixing of stamps to each package of little cigars prior to their first sale in Wisconsin to denote tax paid; (c) discounts for purchasers of tax stamps at 0.8 percent of the tax paid; and (d) penalties for possessing little cigars for which no tax has been paid. The inventory tax in "a" would be calculated by multiplying the number of little cigars and the number of un-affixed stamps held in inventory by the difference between the prior tax rate and the new tax rate.

Definitions. Current law makes no distinction between little cigars and other cigars for purposes of the tobacco products tax. The bill would specifically define cigars and little cigars as follows. A little cigar would mean a cigar that has an integrated cellulose acetate filter and is wrapped in a substance containing tobacco. A cigar would mean a roll, of any size or shape, of tobacco for smoking that is made wholly or in part of tobacco, regardless of whether the tobacco is pure, flavored, adulterated, or mixed with an ingredient if the roll has a wrapper made wholly or in part of tobacco. Little cigars would be enumerated in the definition of tobacco products.

Imposition of Tax. Under current law, an excise tax is imposed on tobacco products, including cigars and little cigars, at the rate of 71 percent of the manufacturer's established list price to distributors, not to exceed 50 cents per cigar or little cigar. While the tax on cigars would remain at the rate imposed under current law, the bill would impose a tax on little cigars weighing not more than three pounds per thousand at a rate of 126 mills per little cigar ($1.26 per 10), and on little cigars weighing more than three pounds per thousand at a rate of 252 mills per little cigar. A mill equals one-tenth of one cent. Therefore, a rate of 126 mills per little cigar = $2.52 per pack of 20. These tax rates are the same as those levied on cigarettes under current law. In addition, the cigar tax limit under current law of 50 cents per cigar or little cigar would not apply to the taxation of little cigars under the bill.

The provision would take effect on the first day of the third month following publication of the bill. The administration estimates that imposing the cigarette tax on little cigars would increase state tax revenues by $2,900,000 in 2019-20 and $3,900,000 in 2020-21 and annually thereafter. The Governor's recommendations did not include any revenues associated with the imposition of the inventory tax.

Joint Finance: Delete provision.

4. REESTIMATE CIGARETTE AND TOBACCO PRODUCTS TAX REFUNDS [LFB Paper 352]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,232,000	- $2,860,000	- $4,092,000

Governor: Decrease funding for cigarette and tobacco products tax refunds by $361,000 in 2019-20 and $871,000 in 2020-21 to reflect lower estimates of the sum sufficient appropriation amounts required under current law to reimburse Native American tribes. Under current law, for sales that occur on reservations or trust lands, the tribes receive a refund of 100% of the excise tax paid on cigarettes sold to eligible tribal members and 70% of the tax on sales to non-Native Americans. For tobacco products sold on reservations or trust lands, the tribes receive a refund of 100% of the tax on products sold to eligible tribal members and 50% of the tax on products sold to non-Native Americans. Eligible tribal members must reside on the reservation or trust land of the tribe where the sale took place and be an enrolled member of that tribe. With these adjustments, the administration estimates total funding in the cigarette and tobacco products tax refunds appropriation would decrease from base funding of $33,996,000 to $33,635,000 in 2019-20 and

$33,125,000 in 2020-21.

Joint Finance: Reestimate the amount of GPR funding necessary to pay for cigarette and tobacco products tax refunds at $32,200,000 in 2019-20 and $31,700,000 in 2020-21. Compared to the Governor's recommendation, the reestimate would be lower by $1,435,000 in 2019-20 and $1,425,000 in 2020-21.

5. LIMIT REAL ESTATE TRANSFER FEE EXEMPTIONS FOR TRANSFERS BETWEEN RELATED ENTITIES [LFB Paper 353]

GPR-Tax	$1,256,500

Governor: Limit certain exemptions from the real estate transfer fee. Under current law, a fee is imposed on the seller of real estate at a rate of $3.00 per $1,000 of value. The county where the property is located retains 20% of revenues from the fee and remits the remaining 80% to the state.

Under current law, a conveyance by a subsidiary corporation to its parent for nominal or no consideration, or in sole consideration of cancellation, surrender, or transfer of capital stock between parent and subsidiary corporation, is exempt from the real estate transfer fee. The bill would clarify that, to be eligible for the exemption, both the subsidiary and the parent must be a corporation.

Current law also provides an exemption from the real estate transfer fee for a conveyance made solely in order to provide or release security for a debt or obligation. The bill would stipulate that the exemption would not apply if the debt or obligation was incurred as the result of a conveyance. DOR indicates the intent of this provision is to: (a) specify that the exemption only applies to a conveyance where no transfer of ownership is made; and (b) clarify that, for a conveyance to be eligible for the exemption, the providing or releasing of security for an existing debt or obligation must be the sole purpose of the conveyance.

The provision would first apply to conveyances made on the effective date of the bill (a technical amendment clarifying this initial applicability would be needed to accomplish the Governor's intent). The administration estimates the provision would increase state tax revenues by $538,500 in 2019-20 and $718,000 in 2020-21 and annually thereafter. In addition, county revenues would increase by approximately $135,000 in 2019-20 and $180,000 in 2020-21 and annually thereafter.

Joint Finance: Specify that the provision would first apply to conveyances made on the first day of the third month following publication of the bill.

GOVERNOR

Budget Summary							
				Joint Finance Change to:			
	2018-19 Base	2019-21	2019-21	Governor		Base	
Fund	Year Doubled	Governor	Jt. Finance	Amount	Percent	Amount	Percent
GPR	$7,628,400	$8,054,400	$8,054,400	$0	0.0%	$426,000	5.6%

FTE Position Summary					
		2020-21	2020-21	Joint Finance Change to:	
Fund	2018-19 Base	Governor	Jt. Finance	Governor	2018-19 Base
GPR	37.25	37.25	37.25	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	$426,000

Governor/Joint Finance: Provide adjustments totaling $213,000 annually for full funding of continuing position salaries and fringe benefits.

HEALTH SERVICES

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$8,022,862,200	$8,352,052,800	$8,595,948,100	$243,895,300	2.9%	$573,085,900	7.1%
FED	12,540,255,600	14,687,610,000	13,398,694,400	- 1,288,915,600	- 8.8	858,438,800	6.8
PR	2,842,211,000	2,996,854,500	3,056,743,700	59,889,200	2.0	214,532,700	7.5
SEG	1,159,883,800	1,166,743,700	1,163,700,200	- 3,043,500	- 0.3	3,816,400	0.3
TOTAL	$24,565,212,600	$27,203,261,000	$26,215,086,400	- $988,174,600	- 3.6%	$1,649,873,800	6.7%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	2,561.71	2,664.97	2,657.23	- 7.74	95.52
FED	1,260.95	1,259.99	1,257.77	- 2.22	- 3.18
PR	2,360.23	2,449.97	2,434.19	- 15.78	73.96
SEG	2.00	2.00	2.00	0.00	0.00
TOTAL	6,184.89	6,376.93	6,351.19	- 25.74	166.30

Budget Change Items

Medical Assistance

1. OVERVIEW OF MEDICAL ASSISTANCE FUNDING AND ENROLLMENT

This item presents several summary tables relating to the funding that would be provided for medical assistance (MA) benefits under the recommendations of the Joint Committee on Finance.

The MA program is supported by general purpose revenue (GPR), federal Medicaid matching funds (FED), three segregated funds (the MA trust fund, the hospital assessment trust fund, the critical access hospital assessment trust fund), and various program revenue (PR) sources, such as drug manufacturer rebates.

Table 1 shows, by year and fund source, the total amounts that would be budgeted for MA benefits for each year of the 2019-21 biennium, compared to the base level funding for the program. The cost-to-continue item reflects current estimates of MA costs in the 2019-21 biennium with no programmatic changes to benefits or eligibility. The other listed items increase or decrease funding for one or more MA funding sources to reflect program changes. For several individual items (marked with an asterisk), the GPR funding would be placed in the Committee's program supplements appropriation, which would enable the Department to submit a request under s. 13.10 of the statutes for an appropriation supplement to implement the provision.

TABLE 1

Summary of MA Benefits Funding

	GPR	FED	PR	SEG	Total
Base Funding	$3,105,434,200	$5,549,940,600	$1,018,685,500	$579,630,900	$10,253,691,200
2019-20					
MA Cost-to-Continue	$82,040,900	$128,506,300	$27,463,800	$7,110,000	$245,121,000
Disp. Share Hospital Payments	30,000,000	43,889,200	0	0	73,889,200
Physician and Behavioral Services*	5,000,000	7,303,100	0	0	12,303,100
Nursing Home Reimbursement	15,000,000	21,909,400	0	0	36,909,400
Family Care -- Direct Care	12,000,000	17,527,600	0	0	29,527,600
Personal Care Rates	15,300,000	22,347,600	0	0	37,647,600
Dental Services/Disabilities	406,000	594,000	0	0	1,000,000
Rural Critical Care Supplement.	2,000,000	2,921,900	0	0	4,921,900
Physical Health Service Providers*	500,000	730,300	0	0	1,230,300
Crisis Intervention Services	2,855,500	187,500	0	0	3,043,000
Telehealth Expansion*	1,088,200	1,592,900	0	0	2,681,100
Clinical Consultations	101,500	148,500	0	0	250,000
Hub-and-Spoke Medical Home*	0	0	0	0	0
FSET Drug Treatment	23,700	34,500	0	0	58,200
CLTS -- County Estimate	0	0	6,000,000	0	6,000,000
Total Change to Base	$166,315,800	$247,692,800	$33,463,800	$7,110,000	$454,582,400
2019-20 Total Funding	$3,271,750,000	$5,797,633,400	$1,052,149,300	$586,740,900	$10,708,273,600
Base Funding	$3,105,434,200	$5,549,940,600	$1,018,685,500	$579,630,900	$10,253,691,200
2020-21					
MA Cost-to-Continue	$272,734,200	$306,713,400	$94,862,300	-$3,347,000	$670,962,900
Disp. Share Hospital Payments	30,000,000	43,900,800	0	0	73,900,800
Physician and Behavioral Services*	5,000,000	7,360,900	0	0	12,360,900
Nursing Home Reimbursement	15,000,000	22,082,800	0	0	37,082,800
Family Care -- Direct Care	15,000,000	22,082,800	0	0	37,082,800
Personal Care Rates	21,600,000	31,799,300	0	0	53,399,300
Dental Services/Disabilities	609,000	891,000	0	0	1,500,000
Rural Critical Care Supplement	2,000,000	2,942,100	0	0	4,942,100
Physical Health Service Providers*	500,000	736,100	0	0	1,236,100
Crisis Intervention Services	9,242,000	1,111,600	0	0	10,353,600
Telehealth Expansion*	1,692,900	2,477,700	0	0	4,170,600
Clinical Consultations	101,500	148,500	0	0	250,000
Hub-and-Spoke Medical Home*	89,900	808,900	0	0	898,800
FSET Drug Treatment	31,400	46,200	0	0	77,600
CLTS -- County Estimate	0	0	6,000,000	0	6,000,000
Total Change to Base	$373,600,900	$443,102,100	$100,862,300	-$3,347,000	$914,218,300
2020-21 Total Funding	$3,479,003,700	$5,992,984,900	$1,119,547,800	$576,283,900	$11,167,820,300

* GPR funding is placed in the Committee's program supplements appropriation.

Table 2 compares the biennial changes to the program under the Governor's bill and the Committee's amendment, shown in relationship to the 2018-19 appropriation base, doubled for the purposes of comparison.

TABLE 2

Biennial Summary of MA Benefits Funding -- Governor and Joint Committee on Finance

	GPR	FED	PR	SEG	Total
Base Doubled	$6,210,868,400	$11,099,881,200	$2,037,371,000	$1,159,261,800	$20,507,382,400
Governor					
Cost-to-Continue	$352,662,000	$362,333,600	$54,439,500	$6,806,500	$776,241,600
Medicaid Expansion	-324,484,900	1,065,246,500	0	0	740,761,600
All Other Changes	194,346,000	499,821,300	12,000,000	0	706,167,300
Total Change to Base	$222,523,100	$1,927,401,400	$66,439,500	$6,806,500	$2,223,170,500
Total 2019-21 Funding	$6,433,391,500	$13,027,282,600	$2,103,810,500	$1,166,068,300	$22,730,552,900
Joint Committee on Finance					
Cost-to-Continue	$354,775,100	$435,219,700	$122,326,100	$3,763,000	$916,083,900
Medicaid Expansion	0	0	0	0	0
All Other Changes	185,141,600	255,575,200	12,000,000	0	452,716,800
Total Change to Base	$539,916,700	$690,794,900	$134,326,100	$3,763,000	$1,368,800,700
Total 2019-21 Funding	$6,750,785,100	$11,790,676,100	$2,171,697,100	$1,163,024,800	$21,876,183,100
Jt. Finance Change to Governor					
Cost-to-Continue Reestimate	$2,113,100	$72,886,100	$67,886,600	-$3,043,500	$139,842,300
Delete Medicaid Expansion	324,484,900	-1,065,246,500	0	0	-740,761,600
All Other Changes	-9,204,400	-244,246,100	0	0	-253,450,500
Total Change	$317,393,600	-$1,236,606,500	$67,886,600	-$3,043,500	-$854,369,800

Table 3 shows actual and projected average monthly enrollment by major eligibility group, along with the percentage change from the prior year, under Joint Finance.

TABLE 3

Actual and Projected Monthly Average Enrollment by Group

	Actual	Projected		
	2017-18	2018-19	2019-20	2020-21
Elderly, Blind, Disabled MA				
Elderly	66,187	67,815	69,455	71,140
Percent Change		*2.5%*	*2.4%*	*2.4%*
Disabled, Non-Elderly Adults	139,146	138,822	139,576	140,466
Percent Change		*-0.2%*	*0.5%*	*0.6%*
Disabled Children	31,527	32,336	32,639	32,644
Percent Change		*2.6%*	*0.9%*	*0.0%*
EBD Total	236,860	238,973	241,669	244,250
Percent Change		*0.9%*	*1.1%*	*1.1%*
BadgerCare Plus				
Children	461,916	455,533	454,676	454,676
Percent Change		*-1.4%*	*-0.2%*	*0.0%*
Parents	162,758	157,686	159,814	159,814
Percent Change		*-3.1%*	*1.3%*	*0.0%*
Childless Adults	148,475	149,919	150,668	151,045
Percent Change		*1.0%*	*0.5%*	*0.3%*
Pregnant Women	20,561	20,050	19,606	19,606
Percent Change		*-2.5%*	*-2.2%*	*0.0%*
BadgerCare Plus Total	793,709	783,187	784,764	785,141
Percent Change		*-1.3%*	*0.2%*	*0.0%*
Other Full Benefit Groups				
Foster Children	20,325	20,706	20,985	21,409
Percent Change		*1.9%*	*1.3%*	*2.0%*
Well Woman	570	539	526	526
Percent Change		*-5.4%*	*-2.4%*	*0.0%*
Total Full Benefit MA	1,051,464	1,043,405	1,047,944	1,051,326
Percent Change		*-0.8%*	*0.4%*	*0.3%*
Partial Benefit Groups				
Family Planning Only	38,537	40,003	39,765	40,164
Percent Change		*3.8%*	*-0.6%*	*1.0%*
Medicare Cost Sharing	23,345	23,896	23,905	24,145
Percent Change		*2.4%*	*0.0%*	*1.0%*
Total MA Enrollment	1,113,346	1,107,305	1,111,613	1,115,635
Percent Change		*-0.5%*	*0.4%*	*0.4%*

Table 4 shows actual and projected SEG revenues to the MA trust fund (MATF) under the Finance Committee. MATF revenues are used for the nonfederal share of MA benefits, offsetting an equal amount of GPR.

TABLE 4

Actual and Projected Medical Assistance Trust Fund Revenues
Fiscal Years 2017-18 through 2020-21

	Actual	Projected		
	2017-18	2018-19	2019-20	2020-21
Provider Assessments				
Hospital Assessment*	$175,647,000	$170,885,100	$164,853,600	$155,597,600
Nursing Home/ICF-IID Bed Assessment	66,683,100	65,053,800	63,380,700	61,750,600
Critical Access Hospital Assessment*	1,896,200	1,684,200	1,409,200	394,600
Federal Funds Deposited to MA Trust Fund				
Nursing Home Certified Public Expenditures	$44,121,000	$31,203,400	$30,267,300	$29,359,300
UW Intergovernmental Transfer	3,809,100	15,463,700	22,854,500	15,236,300
UW Certified Public Expenditures	0	3,800,000	1,900,000	1,900,000
Other				
Transfer from Permanent Endowment Fund	$50,000,000	$50,000,000	$50,000,000	$50,000,000
Interest Earnings**	-441,600	-450,000	-450,000	-450,000
Total	$341,714,800	$337,640,200	$334,215,300	$313,788,400

* Deposited in separate trust fund and then transferred to the MA trust fund.
** Negative interest earnings reflect negative cash balances that occur at times during the year.

2. MEDICAL ASSISTANCE COST-TO-CONTINUE [LFB Paper 360]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$353,962,800	$2,113,100	$356,075,900
FED	362,333,600	72,886,100	435,219,700
PR	54,439,500	67,886,600	122,326,100
SEG	6,806,500	- 3,043,500	3,763,000
Total	$777,542,400	$139,842,300	$917,384,700

Governor: Provide $192,551,700 ($89,305,200 GPR, $112,358,400 FED, -$13,905,700 PR, and $4,793,800 SEG) in 2019-20 and $584,990,700 ($264,657,600 GPR, $249,975,200 FED, $68,345,200 PR, and $2,012,700 SEG) in 2020-21 to fund projected MA benefits under a cost-to-continue scenario (no program changes to benefits or eligibility).

Of the total funding under this item, $650,400 GPR annually is provided as a funding increase to community aids to fund adult protective services. With the expansion of Family Care, DHS makes a payment through community aids to replace adult protective services previously provided through legacy waiver programs, but which are not provided by Family Care managed care organizations. Because of its relationship to Family Care expansion, this payment increase is associated with ongoing MA program responsibilities and so is included in the cost-to-continue item. However, since this payment is made through a non-MA appropriation, it is not included in the total GPR cost-to-continue item shown in Table 1 of the previous item.

The funding increases are based on the administration's projections of caseload growth, changes in the use and cost of providing medical and long-term care services, and changes to the state's federal medical assistance percentage (FMAP). Although the cost-to-continue estimate generally assumes no changes to provider reimbursement rates, there are exceptions. For certain MA services, the Department's practice is to make cost-based adjustments to rates, or the rate methodology is itself based, in whole or in part, on provider costs. Examples include hospital base rates, federally qualified health centers, nursing homes, and state centers for individuals with intellectual disabilities. In keeping with past practice, the cost-to-continue estimates incorporate adjustments to account for these reimbursement policies.

Of the total biennial GPR fiscal effect under the cost-to-continue estimate, approximately $97 million is associated with a reduction in the federal matching rate (federal medical assistance percentage, or FMAP) for the children's health insurance program (CHIP). A temporary increase in the CHIP FMAP is being phased out, beginning in federal fiscal year 2019-20, reducing the FMAP (on a state fiscal year basis) from 94.45% in 2018-19, to 85.93 in 2019-20 and to 74.43% in 2020-21. The standard FMAP is projected to change only slightly from current levels.

Joint Finance: Increase funding by $53,219,700 (-$6,613,900 GPR, $16,147,900 FED, $41,369,500 PR, and $2,316,200 SEG) in 2019-20 and by $86,622,600 ($8,727,000 GPR, $56,738,200 FED, $26,517,100 PR, and -$5,359,700 SEG) in 2020-21 to reflect a cost-to-continue reestimate, based on updated data and assumptions on MA enrollment and costs, as well as federal matching percentages and other federal formula factors.

3. FULL MEDICAID EXPANSION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $324,484,900	$324,484,900	$0
FED	1,065,246,500	- 1,065,246,500	0
Total	$740,761,600	- $740,761,600	$0

Governor: Increase total MA benefits funding by $364,547,900 (-$159,473,300 GPR and $524,021,200 FED) in 2019-20 and by $376,213,700 (-$165,011,600 GPR and $541,225,300) in 2020-21 to reflect the net fiscal effect of increasing MA income eligibility standards from 100% of the federal poverty level (FPL) to 133% of the federal poverty level (equivalent to 138% of the FPL with a standard 5% income disregard used to determine income for program eligibility). The income eligibility change would take effect on the bill's general effective date. The GPR reductions reflect estimated savings that the state would realize by meeting full Medicaid expansion income eligibility standards under provisions of the federal Affordable Care Act (ACA).

Statutory Changes. Repeal a current law provision that prevents DHS from expanding MA program eligibility to qualify for enhanced federal matching funds under the ACA. Require DHS to comply with all federal requirements to qualify for the highest available enhanced federal medical assistance percentage and to submit any amendment to the state medical assistance plan, request for a waiver of federal Medicaid law, or other approval request required by the federal

government to do so. Include "childless adults" in the list of eligibility categories for BadgerCare Plus, which the bill defines as: (a) an individual who is an adult under the age of 65; (b) has family income that does not exceed 133% of the FPL; and (c) is not otherwise eligible for MA or Medicare. Delete current law provisions related to childless adult eligibility through federal waiver authority, effective January 1, 2020. Require DHS to submit any necessary request to the federal Department of Health and Human Services to modify or withdraw from the childless adult demonstration project to reflect the incorporation of childless adults into BadgerCare Plus.

Background. The ACA provides an enhanced FMAP to states for coverage of "newly-eligible" adults with income up to 133% of the federal poverty level. From 2014 through 2016, states were reimbursed for 100% of the cost of covering newly-eligible groups, with a declining federal share in subsequent years until reaching 90% in 2020 and thereafter. The standard FMAP for Wisconsin is currently approximately 59%.

For the purposes of this provision, the "newly eligible" designation applies to an eligibility group for which a state did not provide coverage at the time of the passage of the ACA, which in Wisconsin, as with most states, is childless adults (nondisabled adults, ages 19 through 64 without dependent children). Since the ACA defines the Medicaid expansion population as adults with income up to 133% of the FPL, states must cover all such individuals to qualify for enhanced matching funds.

Since 2014, Wisconsin has provided MA coverage for adults up to 100% of the FPL. Because the state has not adopted the ACA's full Medicaid expansion eligibility threshold, the state is not eligible for enhanced FMAP for childless adults. Instead, the state has funded the childless adults coverage at the state's FMAP. By increasing the income eligibility thresholds for adults, the bill would qualify the state for enhanced FMAP for childless adults. The change to income eligibility thresholds would take effect upon enactment of the bill, and the administration's funding estimates reflects qualification for enhanced federal match as of July 1, 2019.

Fiscal Effect. Over the biennium, the total GPR savings are estimated at $324.5 million, which is the net effect of three components: (a) estimated savings of $521.5 million resulting from replacing the standard FMAP with the enhanced FMAP for childless adults under 100% of the FPL (currently covered); (b) an estimated additional cost of $163.1 million associated with extending coverage to parents in the income range between 100% of the FPL and 133% of the FPL at the state's standard FMAP; and (c) an estimated additional cost of $33.9 million associated with extending coverage to childless adults in the income range between 100% of the FPL and 133% of the FPL at the enhanced FMAP. Since there would be no change to the federal matching rate for parents under 100% of the FPL, there is no fiscal change associated with that group. The following table summarizes the administration's estimates of the GPR effect by group and income level for both years of the 2019-21 biennium.

Administration's Estimated GPR Fiscal Effect of Full Medicaid Expansion, by Eligibility Group, Income Level, and Fiscal Year ($ in Millions)

	Childless Adults	Parents	Total
2019-20			
0% to 100% FPL	-$256.5	$0.0	-$256.5
100% to 133% FPL	16.7	80.3	97.0
Net Change	-$239.8	$80.3	-$159.5
2020-21			
0% to 100% FPL	-$265.0	$0.0	-$265.0
100% to 133% FPL	17.2	82.8	100.0
Net Change	-$247.8	$82.8	-$165.0
Biennial Total			
0% to 100% FPL	-$521.5	$0.0	-$521.5
100% to 133% FPL	33.9	163.1	197.0
Net Change	-$487.6	$163.1	-$324.5

For the purposes of these estimates, the administration assumed increased average enrollment of approximately 82,000, composed of 52,000 parents and 30,000 childless adults. Currently, there are approximately 154,000 parents and 150,000 childless adults enrolled in MA.

Joint Finance: Delete provision.

4. HOSPITALS -- DISPROPORTIONATE SHARE HOSPITAL PAYMENTS [LFB Paper 361]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$58,000,000	$2,000,000	$60,000,000
FED	84,857,200	2,932,800	87,790,000
Total	$142,857,200	$4,932,800	$147,790,000

Governor: Provide $71,428,600 ($29,000,000 GPR and $42,428,600 FED) annually to increase disproportionate share hospital (DSH) payments to hospitals under MA. Modify statutory provisions relating to the program by: (a) increasing, from $27,500,000 to $56,500,000 per year, the state share of payments, in addition to the federal matching funds, that DHS is required to pay to hospitals that serve a disproportionate share of low-income patients; (b) increasing, from $4,600,000 to $9,200,000 the maximum amount any single hospital can receive in each fiscal year; and (c) provide that a hospital that is a free-standing pediatric teaching hospital located in Wisconsin for which 50 percent or more of its total inpatient days are for MA recipients may receive up to $12,000,000 in each fiscal year. Currently, Children's Hospital of Wisconsin is the only hospital in the state that would be eligible for the $12,000,000 DSH payment limit. With this increase, total DSH payments (state and federal funds) would increase from $67.5 million in 2018-

19 to approximately $139.0 million annually in the 2019-21 biennium. DSH payments are provided to hospitals for which more than 6% of inpatient days are attributable to MA patients.

Joint Finance: Increase funding by $2,460,600 ($1,000,000 GPR and $1,460,600 FED) in 2019-20 and $2,472,200 ($1,000,000 GPR and $1,472,200 FED) in 2020-21 for disproportionate share hospital payments made during the 2019-21 biennium. Require DHS to allocate $57,500,000 GPR in each year of the biennium for payments, an increase of $30,000,000 annually relative to current law, and establish the maximum payment for any one hospital at $9,600,000 for each year. With federal matching funds, total DSH payments would be estimated at $141.5 million in 2019-20 and $142.2 million in 2020-21. The additional funding for DSH payments and the change to the maximum payment would apply only for the 2019-21 biennium.

5. HOSPITALS -- ACUTE CARE HOSPITAL ACCESS PAYMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $14,800,000	$14,800,000	$0
FED	214,800,000	- 214,800,000	0
Total	$200,000,000	- $200,000,000	$0

Governor: Provide $100,000,000 (-$7,400,000 GPR and $107,400,000 FED) annually to increase the total annual hospital access payments under MA. Require DHS to make total hospital supplement payments equal to the amount collected under the hospital assessment divided by 53.69%, instead of, under current law, the amount of the assessment divided by 61.68%, which has the effect of increasing the annual total from $672,028,700 to $772,028,700.

Background. Under current law, DHS collects an assessment on hospitals (excluding psychiatric hospitals), based on a percentage of patient revenues. There are two separate assessments--one collected on large acute care and rehabilitation hospitals (hereafter "acute care hospital" or ACH assessment), and another collected on critical access hospitals (generally rural hospitals with 25 or fewer beds). For the ACH assessment, the rate, which is 0.92% of gross patient revenues in 2018-19, is set each year so that the total amount collected equals $414,507,300.

ACH hospital assessment revenue is deposited in the hospital assessment fund and a portion is used, along with federal matching funds, to make hospital access payments and other hospital supplements. [These payments are provided in addition to the base rate reimbursement for hospital services.] Under the statutory formula, DHS is required to make payments totaling $672,028,700. Of this amount, $654,028,700 is used for hospital access payments, while the remaining $18,000,000 is used for other hospital supplemental payments. Hospital access payments are flat rate payments made in addition to the base reimbursement for inpatient and outpatient services. In 2018-19, the hospital access payment for inpatient services is set at $4,027 for inpatient services (paid upon discharge) and $318 for outpatient services (paid per visit), amounts that are recalculated each year to distribute the total amount of funding allocated for access payments.

Any assessment revenue remaining in the hospital assessment fund after making the access payments is transferred to the medical assistance trust fund (MATF), where it is used for the state

share of general MA benefits, offsetting what would otherwise be GPR expenditures.

For the purposes of determining the amount of the access payment, DHS divides the total access payment pool by the total number of number of MA hospital visits, except that visits by childless adults are excluded. Formally, therefore, access payments are not made on behalf of childless adults.

Currently, childless adults are covered under the terms of a federal demonstration waiver. DHS does not make access payments for childless adult hospital visits, a policy that effectively reduces the cost of childless adult coverage, in order to comply with federal "budget neutrality" rules applicable to such waivers. Under the bill, childless adults would no longer be covered under the federal waiver, meaning that federal budget neutrality rules would no longer apply and the Department could begin making access payments for childless adults.

GPR Savings Due to Full Medicaid Expansion. Although this item would increase annual hospital access payments by $100,000,000, the bill would reduce GPR funding for MA benefits by $7,400,000 annually due to the effect of full Medicaid expansion and the decision to make access payments for hospital visits by childless adults.

As with other MA benefits costs, access payments and other hospital supplements are eligible for federal matching funds. The applicable federal matching rate depends upon the eligibility category of the MA beneficiary who receives the hospital services. In most cases, the standard FMAP, which is approximately 59%, applies. If, however, the hospital services are provided to a child eligible under the children's health insurance program (CHIP), then the higher CHIP FMAP applies. The CHIP FMAP is projected at 85.93% in 2019-20 and 74.43% in 2020-21. Based on the mix of MA patients currently receiving hospital services, DHS estimates that the blended average FMAP for all hospital access payments would be approximately 63.1% in 2019-20 and 61.5% in 2020-21, in the absence of any other changes. If, however, childless adults are eligible for an enhanced FMAP with full Medicaid expansion (90% beginning in calendar year 2020), the effective blended FMAP would be projected to increase to 69.0% in 2019-20 and 67.6% in 2020-21. This reduction in the state share of access payments has the effect of increasing the amount of state hospital assessment revenue transferred to the MATF to offset GPR expenditures.

Without the enhanced FMAP associated with full Medicaid expansion, a $100,000,000 annual increase to access payments would require GPR increases of approximately $36.9 million in 2019-20 and $38.5 million in 2020-21.

Joint Finance: Delete provision.

6. HOSPITALS -- CRITICAL ACCESS HOSPITAL ACCESS PAYMENTS [LFB Paper 361]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $600,000	$600,000	$0
FED	3,600,000	- 3,600,000	0
Total	$3,000,000	- $3,000,000	$0

Governor: Provide $1,500,000 (-$300,000 GPR and $1,800,000 FED) annually to increase the total amount of critical access hospital (CAH) access payments under MA. Require DHS to make total supplemental payments to critical access hospitals equal to the amount collected under the CAH assessment divided by 53.69%, instead of, under current law, the amount of the assessment divided by 61.68%.

Unlike the ACH hospital access payments (described in the previous summary item), the total amount of the CAH access payments changes each year since the amount collected from the CAH assessment changes. DHS projects that the CAH access payments (SEG and FED total) will be $10,672,200 in 2018-19. Under the current law formula, total CAH access payments are projected to decline (due to a decline of CAH assessment revenues) to $10,075,900 in 2019-20 and $9,513,000 in 2020-21. The annual net funding increase of $1,500,000 to CAH access payments under this item reflects the administration's estimate of the effect of the change to the formula used to determine the amount of the total payments. That actual change in CAH access payments would depend upon the actual amount of CAH assessment revenue collected.

Similar to the proposed change to ACH access payments, the federal share of the CAH access payments would increase as the result of the full Medicaid expansion item. The resulting reduction in CAH assessment revenue used for CAH access payments would increase the amount of assessment revenue used to offset GPR expenditures for MA benefits. Without full Medicaid expansion, a $1,500,000 annual increase to CAH access payments would require GPR increases of approximately $551,000 in 2019-20 and $570,000 in 2020-21.

Joint Finance: Delete provision.

7. HOSPITALS -- PEDIATRIC INPATIENT SUPPLEMENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,964,000	- $3,964,000	$0
FED	16,036,000	- 16,036,000	0
Total	$20,000,000	- $20,000,000	$0

Governor: Increase MA benefits funding by $10,000,000 ($1,407,000 GPR and $8,593,000 FED) in 2019-20 and $10,000,000 ($2,557,000 GPR and $7,443,000 FED) in 2020-21 to fund a pediatric supplemental hospital payment. Authorize DHS, using a method determined by the Department, to distribute $10,000,000 in each fiscal year to hospitals that are free-standing

pediatric teaching hospitals located in Wisconsin, and for which 45 percent or more of their total inpatient days are for MA recipients. Currently, Children's Hospital of Wisconsin is the only hospital in the state eligible to receive funding under this provision. The share of state and federal funding provided for this payment reflects the federal matching percentage applicable under the children's health insurance program (CHIP) in the biennium, estimated at 85.93% in 2019-20 and 74.43% in 2020-21.

Require DHS, using a method determined by the Department, to distribute a total sum of $2,000,000 each state fiscal year to acute care hospitals in Wisconsin that have inpatient days in the hospital's acute care and intensive care pediatric units that exceed 12,000 days in the second calendar year prior to the hospital's current fiscal year. Specify that, for the purposes of this calculation, days for neonatal intensive care units are not included. Although not required by statute, DHS currently makes a payment matching these criteria under the state's Medicaid inpatient hospital plan. UW Hospital and Clinics and Children's Hospital of Wisconsin are the only hospitals in the state eligible to receive funding under this program. This item would establish this supplemental payment in state statute. Since the Department is currently making the payment from the MA program budget, no additional funds are provided by the bill.

Joint Finance: Delete provision.

8. HOSPITALS -- RURAL CRITICAL CARE HOSPITAL SUPPLEMENT [LFB Paper 361]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	$3,500,000	$4,000,000
FED	731,600	5,132,400	5,864,000
Total	$1,231,600	$8,632,400	$9,864,000

Governor: Provide $615,800 ($250,000 GPR and $365,800 FED) annually to increase funding for supplemental payments made to rural critical care access hospitals under the MA program. Increase, from $250,000 to $500,000, the total amount of the state share of payments for the supplement. Delete the current law eligibility criteria for receiving a supplemental payment under the program, which is any hospital that does not have obstetric services, but would otherwise meet all of the requirements for a payment under the disproportionate share hospital payment program.

Specify, instead, that payments be made to hospitals that meet the following criteria: (a) the hospital is located in Wisconsin and provides a wide array of services, including emergency department services; and (b) in the most recent year for which information is available, the hospital charged at least six percent of overall charges for services to the medical assistance program for MA recipients. Specify that DHS may determine the amount of the payment based on MA charges as a percentage of total charges rather than, under current law, MA inpatient days as a percentage of total inpatient days.

The rural critical care access supplement was created by 2017 Act 59, and requires the Department to make payments of $250,000 GPR annually, along with federal matching funds, to hospitals that would meet all of the criteria for disproportionate share hospital payments, but do not provide obstetric services. Funding is distributed among qualifying hospitals under a formula similar to the one used for disproportionate share hospital payments.

Joint Finance: Increase funding by $4,306,100 ($1,750,000 GPR and $2,556,100 FED) in 2019-20 and $4,326,300 ($1,750,000 GPR and $2,576,300 FED) in 2020-21 for rural critical care hospital supplements. Increase the annual GPR allocation for payments to $2,000,000. With federal matching funds, total payments would be estimated at $4.9 million annually.

9. CRISIS INTERVENTION SERVICES [LFB Paper 362]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$25,381,000	- $13,283,500	$12,097,500
FED	11,877,000	- 10,577,900	1,299,100
Total	$37,258,000	- $23,861,400	$13,396,600

Governor: Increase MA benefits funding by $9,210,100 ($6,960,700 GPR and $2,249,400 FED) in 2019-20 and by $28,047,900 ($18,420,300 GPR and $9,627,600 FED) in 2020-21 to reflect estimated costs of provisions in the bill that would increase the state's share of the cost of county crisis intervention services provided to MA recipients. Counties provide crisis intervention services to respond to individuals who experience a mental health crisis by meeting their immediate need for care, and refer these individuals to other community mental health services for ongoing treatment.

Statutory Provisions. Require DHS to reimburse crisis intervention providers for MA-eligible services provided after January 1, 2020, an amount equal to the total federal and nonfederal share of costs, minus a county maintenance of effort contribution, if the services are provided in a county that elects to deliver crisis intervention services on a regional basis according to criteria established by the Department. Establish the county maintenance of effort for crisis intervention services equal to 75% of the county's expenditures for crisis intervention services in 2017. Specify that any amount of the nonfederal share of crisis intervention services paid by the state may not be counted as a county cost for the purpose of claiming federal reimbursement for unreimbursed county costs.

Modify the statutory description of "mental health crisis intervention services" by deleting the reference to "mental health" and instead specifying that such services are for the treatment of mental illness, intellectual disability, substance abuse, and dementia. DHS indicates that this broader definition of crisis intervention services is, in practice, consistent with the current use of these services.

Under current law, all counties are required to have an emergency mental health service program, although the scope of services provided within these programs varies by county. Most,

but not all counties, have an emergency mental health service that is certified by MA, which allows the county to receive reimbursement for services provided to MA-eligible residents. Counties are responsible for the nonfederal share of the cost of crisis intervention services that are reimbursable under MA.

Under this item, the state would assume a portion of the nonfederal share of these costs, with counties continuing to be responsible for an annual amount equal to 75% of their 2017 expenditures for crisis intervention services. To be eligible for state funding, counties would be required to provide services on a regional basis according to DHS criteria. Under a similar provision applicable to the comprehensive community services MA benefit (CCS), counties generally administer this program as part of multi-county initiatives.

The funding provided by the bill reflects an estimate of the cost to the state of assuming the nonfederal share, minus the county maintenance of effort. The federal funding estimate reflects an assumption that the utilization of crisis services would increase as counties that currently offer fewer crisis services would expand their scope of their programs.

Joint Finance: Reduce funding by $6,167,100 (-$4,105,200 GPR and -$2,061,900 FED) in 2019-20 and $17,694,300 (-$9,178,300 GPR and -$8,516,000 FED) in 2020-21 to reflect a reestimate of the impact of the incentives created by the policy. Modify the calculation of county maintenance of effort by specifying that the county contribution equals 75% of the annual average county expenditures in 2016, 2017, and 2018.

10. PHYSICIAN AND BEHAVIORAL HEALTH SERVICES [LFB Paper 363]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$26,950,600	- $26,950,600	$0
FED	42,163,800	- 27,499,800	14,664,000
Total	$69,114,400	- $54,450,400	$14,644,000

Governor: Provide $22,471,900 ($8,732,800 GPR and $13,739,100 FED) in 2019-20 and $46,642,500 ($18,217,800 GPR and $28,424,700 FED) in 2020-21 to increase MA reimbursement rates for mental health, behavioral health, and psychiatric services provided by physicians and medical clinics. The administration's funding estimate assumes implementation of the rate increases on January 1, 2020, and includes services paid both on a fee-for-service basis and services paid by health maintenance organizations. The administration estimates that the funding in the bill would allow for a rate increase for the targeted services of approximately 6.8% if the increases were applied uniformly to all rates. However, the Department would have discretion to apply different percentage increases to procedure codes within these categories to address areas of particular concern.

Joint Finance: Reduce funding for MA reimbursement rate increases by $10,168,800 (-$3,732,800 GPR and -$6,436,000 FED) in 2019-20 and by $34,281,600 (-$13,217,800 GPR and -$21,063,800 FED) in 2020-21, to provide total increases of $12,303,100 ($5,000,000 GPR and

$7,303,100 FED) in 2019-20 and $12,360,900 ($5,000,000 GPR and $7,360,900 FED) in 2020-21. Transfer $5,000,000 GPR annually to the Committee's program supplements appropriation, which would enable the Department to submit a request under s. 13.10 of the statutes for an appropriation supplement for reimbursement rate increases. The fiscal effect of the GPR portion of the funding for reimbursement rate increases is reflected under "Program Supplements."

11. COMMUNITY HEALTH BENEFIT [LFB Paper 364]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$22,500,000	- $22,500,000	$0
FED	22,500,000	- 22,500,000	0
Total	$45,000,000	- $45,000,000	$0

Governor: Provide $45,000,000 ($22,500,000 GPR and $22,500,000 FED) in 2020-21 to fund a new MA benefit, subject to federal approval, for nonmedical services that contribute to the determinants of health. Direct the Department to determine which specific nonmedical services that contribute to the determinants of health would be included as an MA benefit, and require the Department to seek any necessary plan amendment or request any waiver of federal Medicaid law to implement this benefit. Specify that DHS is not required to provide these services as a benefit if the federal Department of Health and Human Services does not provide federal financial participation for these services.

The administration indicates that the eligible services under the proposed benefit may include housing referrals, nutritional mentoring, stress management, transportation services, and other services that would positively impact an individual's economic and social condition. The administration's funding estimate assumes that approximately 12,500 individuals would be served on a monthly basis, at an average cost of $300 per person per month.

Joint Finance: Delete provision.

12. DENTAL ACCESS INCENTIVES [LFB Paper 365]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$16,684,500	- $16,684,500	$0
FED	22,135,200	- 22,135,200	0
Total	$38,819,700	- $38,819,700	$0

Governor: Provide $18,290,900 ($7,894,700 GPR and $10,396,200 FED) in 2019-20 and $20,528,800 ($8,789,800 GPR and $11,739,000 FED) in 2020-21 to reflect the net effect of: (a) providing enhanced reimbursement rates under the MA program to dental providers who meet certain qualifications; and (b) eliminating the dental reimbursement pilot project.

Critical Access Reimbursement Payments to Dental Providers. Provide $28,097,600

($11,520,000 GPR and $16,577,600 FED) in 2019-20 and $30,335,500 ($12,437,600 GPR and $17,897,900 FED) to increase reimbursement rates for dental providers that meet quality of care standards, as established by the Department, and that meet one of the following qualifications: (a) for a non-profit or public provider, 50 percent or more of the individuals served by the provider lack dental insurance or are enrolled in MA; or (b) for a for-profit provider, five percent or more of the individuals served by the provider are enrolled in MA.

Require the Department to increase reimbursement in the following manner, for dental services rendered on or after January 1, 2020, by a provider meeting the above criteria: (a) for a qualified non-profit provider, a 50 percent increase above the rate that would otherwise be paid to that provider; (b) for a qualified for-profit provider, a 30 percent increase above the rate that would otherwise be paid to that provider; and (c) for providers rendering services to individuals enrolled in managed care under the MA program, increase reimbursement on the basis of the rate that would have been paid to the provider had the individual not been enrolled in managed care. Specify that if a provider has more than one service location, the eligibility thresholds described above apply to each location, and payment for each service location would be determined separately.

Elimination of the Dental Reimbursement Pilot Project. Reduce funding by $9,806,700 (-$3,625,300 GPR and -$6,181,400 FED) in 2019-20 and by $9,806,700 (-$3,647,800 GPR and -$6,158,900 FED) in 2020-21 to reflect the effect of repealing the provisions of 2015 Act 55, which created an enhanced dental reimbursement pilot program to increase MA reimbursement rates for pediatric dental care and adult emergency dental services provided in Brown, Marathon, Polk, and Racine counties. This funding reduction is based on the difference between the standard reimbursement rate and the enhanced rate for expenditures in the pilot program counties in 2017-18.

Joint Finance: Delete provision.

13. BLOOD-LEAD TESTING -- HMO INCENTIVES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,845,600	- $2,845,600	$0
FED	4,154,600	- 4,154,600	0
Total	$7,000,200	- $7,000,200	$0

Governor: Provide $3,500,100 ($1,422,800 GPR and $2,077,300 FED) annually to increase pay-for-performance incentives to BadgerCare Plus HMOs. Currently, DHS imposes a $10,000 fine on HMOs for failure to meet benchmarks standards for blood-lead testing for children, which is testing of 80.9% of enrolled children by age 2. This item would provide funding for incentive payments to increase the percentage of children tested. The amounts are based on approximately 0.25% of BadgerCare Plus HMO capitation payments.

Joint Finance: Delete provision.

14. SENIORCARE COST-TO-CONTINUE [LFB Paper 366]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,369,500	- $6,642,800	- $5,273,300
FED	1,249,800	- 11,881,700	- 10,631,900
PR	22,742,200	- 5,725,900	17,016,200
Total	$25,361,500	- $24,250,400	$1,111,000

Governor: Provide $6,699,800 (-$1,310,200 GPR, -$1,139,600 FED, and $9,149,600 PR) in 2019-20 and $18,661,700 ($2,679,700 GPR, $2,389,400 FED, and $13,592,600 PR) in 2020-21 to fund projected increases in the cost of benefits under the SeniorCare program in the 2019-21 biennium. SeniorCare provides drug benefits for Wisconsin residents over the age of 65 who are not eligible for full Medicaid benefits, but who meet the program's income eligibility criteria.

The program is supported with a combination of state funds (GPR), federal funds the state receives under a Medicaid demonstration waiver (FED), and program revenue (PR) from rebate payments DHS collects from drug manufacturers. The program has four income eligibility categories: (a) less than 160% of the federal poverty level (FPL); (b) 160% of FPL to 200% of FPL; (c) 200% of FPL to 240% of FPL; and (d) greater than 240% of FPL. Each of these eligibility tiers has different requirements for deductibles. Persons in the last category, known as "spend-down" eligibility, do not receive benefits until they have out-of-pocket drug expenses in an annual period that exceed the difference between their annual income and 240% of the FPL, plus the deductible.

Joint Finance: Reduce funding by $11,592,400 (-$3,125,800 GPR, -$5,758,100 FED, and -$2,708,500 PR) in 2019-20 and $12,658,000 (-$3,517,000 GPR, -$6,123,600 FED, and -$3,017,400 PR) in 2020-21 to reflect a reestimate of SeniorCare benefit costs. The reestimate is based on updated assumptions for enrollment, average costs, and drug rebates.

The following tables summarize the SeniorCare funding under the Finance Committee and the enrollment assumptions used for the reestimate.

SeniorCare Funding by Fund Source

	GPR	FED	PR	Total
2018-19 Appropriation Base	$20,927,400	$21,067,700	$75,312,300	$117,307,400
2019-20 Change to Base	-$4,436,600	-$6,897,700	$6,441,100	-$4,892,600
2019-20 Total Funding	16,490,800	14,170,000	81,753,400	112,414,800
2020-21 Change to Base	-$837,300	-$3,734,200	$10,575,200	$6,003,700
2020-21 Total Funding	20,090,100	17,333,500	85,887,500	123,311,100

SeniorCare Enrollment Estimates

Income Category	2018-19	2019-20	2020-21
Less than 160% of FPL	27,400	26,900	27,200
160% of FPL to 200% of FPL	15,600	15,600	15,800
200% of FPL to 240% of FPL	10,500	10,600	10,800
Greater than 240% of FPL	40,100	44,200	49,000
Total Enrollment	93,600	97,300	102,800

15. POST-PARTUM ELIGIBILITY [LFB Paper 367]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$9,609,600	- $9,609,600	$0
FED	13,270,400	- 13,270,400	0
Total	$22,880,000	- $22,880,000	$0

Governor: Increase MA benefits funding by $22,880,000 ($9,609,600 GPR and $13,270,400 FED) in 2020-21 to reflect the estimated cost of extending benefits for MA-eligible pregnant women until the last day of the month in which the 365th day after the last day of the pregnancy falls. Require DHS to seek approval from the federal Department of Health and Human Services to implement this change in program eligibility.

Under current law, post-partum women are eligible for MA benefits until the last day of the month in which the 60th day after the last day of the pregnancy falls. The administration's funding estimate assumes that this change would increase average monthly enrollment by 6,500, beginning in 2020-21. The current income eligibility threshold for pregnant women is 300% of the federal poverty level (FPL), while the threshold for non-pregnant adults is 100% of the FPL. Therefore, the proposed eligibility expansion would apply to women who were MA-eligible during their pregnancy, but who are above 100% of the FPL during the year following delivery.

Joint Finance: Delete provision.

16. PRESCRIPTION DRUG COPAYMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,908,600	- $4,908,600	$0
FED	7,181,400	- 7,181,400	0
Total	$12,090,000	- $12,090,000	$0

Governor: Provide $6,045,000 ($2,454,300 GPR and $3,590,700 FED) annually to

eliminate copayments for prescription drugs for enrollees in MA. The funding provided reflects the administration's estimate of the MA expenditures for pharmacy reimbursement that would be needed to replace the amount that would otherwise be collected as copayments.

Under current law, most adult enrollees in the MA program are required to pay a copayment in order to fill their prescriptions. A copayment of $1 dollar per prescription is required for generic drugs, and $3 per prescription is required for brand name drugs. The bill reflects the administration's intent to waive the copayment. Copayments in the SeniorCare program would remain unchanged.

Joint Finance: Delete provision.

17. TELEHEALTH EXPANSION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,781,100	- $2,781,100	$0
FED	4,070,600	0	4,070,600
Total	$6,851,700	- $2,781,100	$4,070,600

Governor: Increase MA benefits funding by $2,681,100 ($1,088,200 GPR and $1,592,900 FED) in 2019-20 and $4,170,600 ($1,692,900 GPR and $2,477,700 FED) in 2020-21 to fund anticipated increases in the use of MA services rendered by providers using telehealth technology. This increase is expected to result from a statutory change in the bill that would expand the definition of telemedicine and the services that may be provided through telehealth technology.

Modify the definition of "telehealth" for the purposes of reimbursement of mental health or substance abuse treatment services provided under MA to include: (a) real-time communications between providers; and (b) in circumstances determined by DHS, asynchronous transmissions of digital clinical information through a secure electronic communications system from one provider to another provider. Currently, the definition of "telehealth" includes only real-time communications between individuals and health care providers.

Require DHS to develop, by rule, a method of reimbursing providers for MA services that are either: (a) a consultation between a provider at an originating site and a provider at a remote location using a combination of interactive video, audio, and externally acquired images through a networking environment; or (b) an asynchronous transmission of digital clinical information through a secure electronic system from an MA recipient or provider to a provider.

These changes would authorize DHS to develop reimbursement policies for any MA service rendered through telehealth technology, and would make asynchronous provider consultation and remote patient monitoring eligible for reimbursement. Asynchronous telehealth typically involves consultation between a primary care provider and a specialist who share patient information through a secured communications system. Remote patient monitoring allows a provider to receive data transmitted from monitoring devices, such as a heart monitor worn by the patient. Under current law, telehealth services are only reimbursable for a limited set of services, primarily mental

health or substance abuse treatment services, and telehealth only includes real-time, "face-to-face" interaction between a provider and a patient.

Joint Finance: Transfer $1,088,200 GPR in 2019-20 and $1,692,900 GPR in 2020-21 to the Committee's program supplements appropriation, which would enable the Department to submit a request under s. 13.10 of the statutes for an appropriation supplement for telehealth services. The fiscal effect of the GPR portion of the funding for the telehealth expansion initiative is reflected under "Program Supplements."

18. DENTAL SERVICES FOR INDIVIDUALS WITH DISABILITIES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,030,000	- $1,015,000	$1,015,000
FED	2,970,000	- 1,485,000	1,485,000
Total	$5,000,000	- $2,500,000	$2,500,000

Governor: Provide $2,000,000 ($812,000 GPR and $1,188,000 FED) in 2019-20 and $3,000,000 ($1,218,000 GPR and $1,782,000 FED) in 2020-21 to increase reimbursement rates for dental services that are covered under MA and provided to recipients who have disabilities. Require DHS to allocate a total of $2,000,000 in 2019-20 and $3,000,000 in 2020-21 for such increases. A provision of the 2017-19 budget (Act 59) required DHS to increase reimbursement rates by 200% for dental services rendered by facilities that provide at least 90 percent of their dental services to individuals with cognitive and physical disabilities (although the act did not increase MA funding for this purpose). The Department is currently developing standards to implement this requirement. This item would provide funding for reimbursement of dental services rendered to individuals who have disabilities, which could be allocated to meet the Act 59 requirement, but also could be allocated to providers that do not meet the Act 59 criteria.

Joint Finance: Reduce funding by $1,000,000 (-$406,000 GPR and -$594,000 FED) in 2019-20 and $1,500,000 (-$609,000 GPR and -$891,000 FED) in 2020-21 and modify the provision related to reimbursement increases to require DHS to allocate a total of $1,000,000 in 2019-20 and $1,500,000 in 2020-21 for such increases.

19. BEHAVIORAL HEALTH TECHNOLOGY -- INCENTIVE PAYMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000,000	- $2,000,000	$0
FED	2,000,000	- 2,000,000	0
Total	$4,000,000	- $4,000,000	$0

Governor: Increase MA benefits funding by $4,000,000 ($2,000,000 GPR and $2,000,000 FED) in 2020-21 for DHS to make incentive grants to behavioral health providers that adopt

electronic health records systems or participate in the state's health information exchange. A health information exchange allows a provider to access their patients' records, such as test results, prescribed medications, and services patients received, including information relating to services rendered by other providers. The Wisconsin Statewide Health Information Network (WISHIN) serves as the health information exchange for providers in Wisconsin.

Joint Finance: Delete provision.

20. SUBSTANCE ABUSE HUB-AND-SPOKE TREATMENT MODEL

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$89,900	- $89,900	$0
FED	808,900	0	808,900
Total	$898,800	- $89,900	$808,900

Governor: Provide $89,900 GPR and $808,900 FED in 2020-21 for supportive services delivered under the Medicaid medical health home benefit for persons with substance abuse disorders. Under the medical health home benefit, supportive services are rendered by a designated provider to persons with chronic conditions, including mental health conditions or substance use disorder. Specific services may include comprehensive care management, care coordination and health promotion, comprehensive transitional care, patient and family support, referral to community and social support services, and use of health information technology to link services. A provision of the federal Affordable Care Act provides an enhanced federal matching rate of 90% for eight calendar quarters for medical health home services. Wisconsin established a medical health home program for individuals with HIV or AIDS in 2013. Currently there are approximately 290 persons enrolled in that program.

The administration proposes using the medical health home benefit to establish a substance abuse treatment program based on a "hub-and-spoke" model. Under this treatment model, a designated regional "hub" clinic provides intake and stabilizing services, and then makes referrals to various "spoke" providers to render ongoing services, in coordination with the hub. Spoke providers may be of various types, including physician practices, hospitals, residential treatment providers, substance abuse clinics, and non-medical social service agencies. Patients may be referred between the hub provider and spoke providers as needed.

The administration indicates it would establish three integrated medical health homes that would serve as "hubs," each equipped to treat a full range of health and substance use disorders, up to and including medication assisted treatment with methadone. The funding provided by the bill is based on the assumption that the medical home would have a monthly average enrollment of 350 participants at a monthly cost of $214 for coordination services.

Joint Finance: Transfer $89,900 GPR in 2020-21 to the Committee's program supplements appropriation, which would enable the Department to submit a request under s. 13.10 of the statutes for an appropriation supplement for services provided under the hub-and-spoke treatment model. The fiscal effect of the GPR portion of the funding for this initiative is reflected under "Program

Supplements."

21. DOULA SERVICES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$384,000	- $384,000	$0
FED	234,700	- 234,700	0
Total	$618,700	- $618,700	$0

Governor: Provide $192,000 GPR in 2019-20 and $426,700 ($192,000 GPR and $234,700 FED) in 2020-21 to provide grants for community-based doulas in 2019-20, and to provide reimbursement for certified doula services provided through the MA program in select counties, beginning in 2020-21.

Doula Services as an MA Benefit. Increase MA benefits funding by $426,700 ($192,000 GPR and $234,700 FED) in 2020-21 to fund doula services as an MA benefit. Specify that doula services are eligible for reimbursement under MA when the services are rendered by a certified doula to pregnant women enrolled in MA who reside in Brown, Dane, Milwaukee, Rock, Sheboygan, or another county as determined by the Department. For these purposes, define a "certified doula" as an individual who has received certification from a doula certifying organization recognized by the Department. Specify that services provided by a certified doula include continuous emotional and physical support during labor and birth of a child and intermittent services during the prenatal and postpartum periods.

Require DHS to seek any necessary federal approval to allow reimbursement for services provided by a certified doula through the MA program and specify that the Department may not provide reimbursement for these services unless such approval is granted. The administration's funding estimate assumes that 10% of pregnant women in the target counties would receive doula services, and that MA reimbursement for these services would begin in 2020-21.

One-Time Grants. Provide $192,000 GPR in 2019-20 and require DHS to allocate this amount in 2019-20 from an appropriation that funds Division of Medicaid Services contracts to support grants to public or private entities, American Indian tribes or tribal organizations, or community-based organizations for grants for community-based doulas. Require grant recipients to use the money to identify and train local community workers to mentor pregnant women.

Joint Finance: Delete provision.

22. MA REIMBURSEMENT FOR CLINICAL CONSULTATIONS

GPR	$203,000
FED	297,000
Total	$500,000

Governor/Joint Finance: Increase MA benefits funding by $250,000 ($101,500 GPR and $148,500 FED) annually to reflect the administration's estimate of the cost to continue to reimburse mental health professionals for clinical consultations. Repeal a provision that prohibits DHS from providing reimbursement for a

clinical consultation that occurs after June 30, 2019.

The 2017-19 budget act directed DHS to reimburse health care providers for conducting clinical consultations under the MA program in the 2017-19 biennium only. "Clinical consultations" are defined as, for a student up to age 21, communication from a mental health professional or a qualified treatment trainee working under the supervision of a mental health professional to another individual who is working with the client to inform, inquire, and instruct regarding all of the following and to direct and coordinate clinical service components: (a) the client's symptoms; (b) strategies for effective engagement, care, and intervention for the client; and (c) treatment expectations for the client across service settings.

This item would maintain clinical consultations as an ongoing, MA-reimbursable service.

23. FAMILY CARE DIRECT CARE REIMBURSEMENT [LFB Paper 368]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$12,000,000	$15,000,000	$27,000,000
FED	17,523,900	22,086,500	39,610,400
Total	$29,523,900	$37,086,500	$66,610,400

Governor: Provide $14,763,800 ($6,000,000 GPR and $8,763,800 FED) in 2019-20 and $14,760,100 ($6,000,000 GPR and $8,760,100 FED) in 2020-21 to increase the direct care and services portion of the capitation rates DHS provides to managed care organizations (MCOs) in recognition of the direct caregiver workforce challenges facing the state.

Funding for this item is in addition to the funding provided in the 2017-19 biennial budget for the same purpose. In the 2017-19 biennium the Department distributed the additional funding through the Direct Care Workforce Funding Initiative, which required MCOs to pass additional funding on to providers in the form of wage increases, bonuses, or additional paid time off for certain direct care workers, or to fund employer payroll tax increases that result from increasing workers' wages.

Joint Finance: Increase funding by $14,763,800 ($6,000,000 GPR and $8,763,800 FED) in 2019-20 and by $22,322,700 ($9,000,000 GPR and $13,322,700 FED) in 2020-21 to increase funding for the direct care workforce supplement.

The following table identifies the funding that would be provided to increase the direct care and services portion of the capitation rates DHS provides to MCOs in the bill. This funding would be provided in addition to funding in the bill that the administration estimates would be needed to fund actuarially sound capitation rates in the 2019-21 biennium. The bill does not specify how the additional funding in the table would be distributed in the 2019-21 biennium.

Family Care Direct Care Reimbursement
Joint Finance Substitute Amendment

	2019-20			2020-21		
	GPR	FED	Total	GPR	FED	Total
2017-19 Increase (Part of MA Cost-to-Continue)	$12,500,000	$18,257,900	$30,757,900	$12,500,000	$18,402,300	30,902,300
2019-21 Increase	12,000,000	17,527,600	29,527,600	15,000,000	22,082,800	37,082,800
Total	$24,500,000	$35,785,500	$60,285,500	$27,500,000	$40,485,100	$67,985,100

24. NURSING HOME REIMBURSEMENT [LFB Paper 369]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,742,500	$19,257,500	$30,000,000
FED	15,691,500	28,300,700	43,992,200
Total	$26,434,000	$47,558,200	$73,992,200

Governor: Provide $8,676,200 ($3,525,900 GPR and $5,150,300 FED) in 2019-20 and $17,757,800 ($7,216,600 GPR and $10,541,200 FED) in 2020-21 to increase the MA reimbursement rates paid to nursing homes and intermediate care facilities for individuals with intellectual disabilities (ICFs-IID).

In session law, require DHS to increase the MA rates paid for direct care to nursing facilities and ICFs-IID with a 1 percent annual rate increase related to an increase in acuity of patients in these facilities and an additional 1.5 percent annual rate increase to support staff in those facilities who perform direct care, for a total increase of 2.5 percent in 2019-20 and an additional increase of 2.5 percent in 2020-21.

The funding amount in this item is intended to fund the administration's estimate of the cost of increasing reimbursement for direct care services by 2.5% in 2019-20 and by an additional 2.5% in 2020-21. Funding for the 1 percent annual rate increase ($17,416,700 all funds over the 2019-21 biennium) due to increased patient acuity is budgeted as part of the MA cost-to-continue item.

Joint Finance: Increase funding by $28,233,200 ($11,474,100 GPR and $16,759,100 FED) in 2019-20 and by $19,325,000 ($7,783,400 GPR and $11,541,600 FED) in 2020-21. Retain the Governor's session law provision that requires DHS to increase the MA rates paid for direct care to nursing facilities and ICFs-IID by 1% annually related to an increase in acuity of patients in these facilities. In addition, increase MA rates paid to those facilities by a budgeted sum of $15,000,000, as the state share of payments, and the matching federal share of payments in 2019-20 and 2020-21 to support staff in those facilities who perform direct care. Specify that this increase would take effect for dates of services on or after July 1, 2019.

Although not specified in the bill, it is intended that this increase be applied to nursing home services provided on a managed care and fee-for-service basis, as well as hospice days.

25. PERSONAL CARE REIMBURSEMENT [LFB Paper 370]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$6,801,200	$30,098,800	$36,900,000
FED	9,950,500	44,196,400	54,146,900
Total	$16,751,700	$74,295,200	$91,046,900

Governor: Provide $3,330,300 ($1,352,100 GPR and $1,978,200 FED) in 2019-20 and $13,421,400 ($5,449,100 GPR and $7,972,300 FED) in 2020-21 to increase the MA reimbursement rates paid to personal care agencies to support staff in those agencies who perform direct care. In session law, require DHS to increase the MA rates paid to agencies that provide personal care services by 1.5 percent annually to support staff in those agencies who perform direct care.

The administration indicates its intent is to increase the rate for personal care services provided on and after January 1, 2020, from the current rate of $16.73 per hour to $16.98 per hour, and increase the rate for personal care services provided on or after July 1, 2020, from $16.98 per hour to $17.24 per hour.

Joint Finance: Increase funding by $34,317,300 ($13,947,900 GPR and $20,369,400 FED) in 2019-20 and by $39,977,900 ($16,150,900 GPR and $23,827,000 FED) in 2020-21. Require that DHS increase medical assistance rates paid for direct care to agencies that provide personal care by a budgeted sum of $15,300,000, as the state share of payments, and the matching federal share of payments, in 2019-20, and by a budgeted sum of $21,600,000, as the state share of payments, and the matching federal share of payments, in 2020-21.

Although not specified in the bill, it is assumed that these payment increases would take effect July 1, 2019, and July 1, 2020. Further, it is intended that this increase be applied to personal care provided on a fee-for-service and managed care basis, as well as for personal care services provided to IRIS participants, including self-directed IRIS personal care services.

26. CHILDREN'S LONG-TERM SUPPORT WAIVER PROGRAM -- ENSURE SERVICES

Governor: Require DHS to ensure that any child who is eligible, and applies, for the children's long-term support (CLTS) waiver program receives services under the CLTS waiver program. As of February 28, 2019, 8,963 children were enrolled in the program, and 1,047 children were on a statewide waiting list for services.

The bill would provide additional funding to support CLTS waiver services as part of the MA cost-to-continue item. The following table shows the amount DHS has budgeted for CLTS program services in 2018-19 (the base funding amount), the funding increases that would be provided for the program under the cost-to-continue item, and the administration's enrollment estimates.

Children's Long-Term Support Services
Governor's Bill

	2019-20			2020-21		
	GPR	FED	Total	GPR	FED	Total
Base	$33,192,500	$48,195,400	$81,387,900	$33,192,500	$48,195,400	$81,387,900
Cost-to-Continue Increase in Bill	14,547,500	21,245,100	35,792,600	15,601,400	22,781,000	38,382,400
Total Funding in Bill for CLTS Services	$47,740,000	$69,440,500	$117,180,500	$48,793,900	$70,976,400	$119,770,300
Estimated Enrollment as of June 30			9,780			9,910

Joint Finance: Delete provision. Retain additional funding provided under the MA cost-to-continue item.

27. LONG-TERM CARE SERVICES -- STATUTORY REVISIONS TO REFLECT CURRENT PROGRAMS AND FEDERAL REQUIREMENTS

Governor/Joint Finance: Modify statutory provisions relating to the state's long-term care programs to: (a) reflect the completion of the statewide expansion of Family Care, including the termination of the community options program (COP), a county-administered program that previously offered MA-supported long-term care services; (b) conform the state's statutes to be consistent with new federal rules as they relate to grievances, appeals, and fair hearings for individuals enrolled in MA managed care plans; and (c) repeal obsolete provisions, correct references, and make minor changes to reflect current practice relating to the state's long-term care programs.

Community Options Program (COP). Repeal statutory references to COP, since COP has been replaced with Family Care and IRIS (Include, Respect, I Self-Direct) in all counties of the state. Revise numerous statutes to eliminate references to COP, including the responsibilities of state agencies and counties in administering COP.

IRIS -- Waiver Request. Add a reference to the "self-directed service option"(IRIS) to the current requirement that the Department request any waivers of federal MA law that are necessary to permit the use of federal moneys to provide the Family Care benefit. DHS currently operates the program under a federal MA waiver.

Regional Long-Term Care Advisory Committees. Repeal statutory provisions relating to the creation and activities of regional long-term care advisory committees. The current statutory duties of the regional long-term care advisory committees, as they relate to each committee's region, are: (a) evaluating the performance of managed care organizations (MCOs) and making recommendations based on the evaluation to the MCOs and DHS; (b) evaluating the performance of aging and disability resource centers (ADRCs) and making recommendations based on the

evaluation to the ADRCs and DHS; (c) monitoring grievances and appeals made to the MCO or entities that operate PACE or the Family Care Partnership program; (d) reviewing utilization of long-term care services; (e) monitoring enrollments and disenrollments in MCOs; (f) using information gathered by governing boards of ADRCs and other available information, identifying any gaps in the availability of services, living arrangements, and community resources needed by older persons and persons with physical or developmental disabilities, and developing strategies to build capacity to provide those services, living arrangements, and community resources; (g) performing long-range planning on long-term care policy for individuals belonging to the client groups served by the ADRC; (h) annually reporting significant achievements and problems relating to the provision of long-term care services to DHS; and (i) reviewing and assessing IRIS.

Repeal provisions requiring DHS to: (a) establish regions for long-term care advisory committees, review the boundaries of the regions, and as appropriate, revise the regions; (b) specify the number of members that each governing board of a ADRC must appoint to a regional long-term care advisory committee; and (c) provide information and staff assistance to assist regional long-term care advisory committees in performing their statutory duties.

Currently, there are no active regional long-term care advisory committees.

Aging and Disability Resource Centers (ADRCs). Modify the requirement that ADRCs provide information regarding Family Care and which managed care organization (MCO) would best meet an individual's needs, to also include information on IRIS, the Program for All-Inclusive Care for the Elderly (PACE), and the Family Care Partnership program.

Repeal the requirement that, when Family Care first becomes available in the county where a nursing home, community-based residential facility (CBRF), adult family home, or residential; care apartment (RCAC) is located, the ADRC that serves that county must provide information about the services of the ADRC, including counseling concerning public and private benefit programs, about assessments and care plans, and about the Family Care benefit and the IRIS option to all older persons and adults with a physical or developmental disability who are residents of nursing homes, community-based residential facilities (CBRF), adult family homes, and residential care apartment complexes (RCAC) in the area of the resource center.

Require each ADRC governing board to review the number and types of grievances and appeals related to the ADRC, to determine if a need exists for system changes, and recommend system or other changes if appropriate. Currently, the ADRC governing boards are charged with reviewing the number and types of grievances and appeals concerning the long-term care system in the area served by the ADRC.

Repeal provisions that specify exceptions to a provision that prohibits a county, a tribe or band, a long-term care district or an organization, including a private, nonprofit corporation, could directly operate both an ADRC and an MCO. The first exception requires the provision of eligibility screenings to be structurally separate from the provision of MCO services by January 1, 2001. The second exception allows DHS to approve separation of the functions of the ADRC from an MCO by a means other than creating a long-term care district to serve either as an ADRC or an MCO.

Repeal provisions that require the Secretary of DHS to certify to each county, hospital, nursing home, community-based residential facility (CBRF), adult family home, and residential care apartment complex (RCAC) the date on which an ADRC that serves the area of the county, hospital, nursing home, CBRF, adult family home, or RCAC is first available to perform functional screenings and financial and cost-sharing screenings.

Repeal provision that specifies that informational and referral requirements for RCACs, CBRFs, and nursing homes only applies if the DHS Secretary has certified that an ADRC is available for that RCAC, CBRF, or nursing home, and for the specified groups of eligible individuals that include those persons seeking admission to or the residents of that RCAC, CBRF, or nursing home.

Repeal the requirement that no nursing home may admit any patient until a physician has completed a plan of care for the patient and the patient is assessed or the patient is exempt from, or waives the assessment. This requirement does not apply to those residents for whom the DHS Secretary has certified that an ADRC is available. Consequently, with the statewide availability of ADRCs, this provision is obsolete.

Specify that funding for support, personal, or nursing services that a person who resides in an RCAC receives, other than private or third party funding, may be provided only under the community integration program (CIP) and in compliance with CIP statutes, except if the provider of the services is a certified MA provider or if the funding is provided as a Family Care benefit.

Appeals Procedure. Modify provisions relating to appeals of Family Care services to allow a person applying for eligibility for Family Care, an eligible person, or a Family Care enrollee to contest certain matters by filing, within 45 days of the failure of an ADRC or county to act on the contested matter within the time frames specified by rule by DHS or within 45 days after receipt of notice of a decision in a contested matter, a written request for a hearing to the Department of Administration's Division of Hearings and Appeals. Currently, a person applying for eligibility for Family Care, an eligible person, or a Family Care enrollee to contest certain matters by filing, within 45 days of the failure of an ADRC or MCO to act on the contested matter within the time frames specified by rule by DHS, or within 45 days after receipt of notice of a decision in a contested matter, a written request for a hearing to the Division of Hearings and Appeals.

Modify statutory provisions to, except as otherwise specified in state statute, allow a person applying for eligibility for Family Care, an eligible person, or a Family Care enrollee, to contest any of the following adverse benefit determinations by filing, within 90 days of the failure of the MCO to act on a contested adverse benefit determination within the time frames specified by rule by DHS or within 90 days after receipt of notice of a decision upholding the adverse benefit determination, a written request for hearing to the division of hearings and appeals: (a) denial of functional eligibility as a result of the MCO's administration of the long-term care functional screen, including a change from a nursing home level of care to a non-nursing home level of care; (b) denial or limited authorization of a requested service, including determinations based on type or level of service, requirements of medical necessity, appropriateness, setting, or effectiveness of a covered benefit; (c) reduction suspension, or termination of a previously authorized service, unless the service was only authorized for a limited amount or duration and that amount or duration

has been completed; (d) denial, in whole or in part, of payment for a service; (e) the failure of the MCO to act within the time frames specified in federal law regarding the standard resolution of grievances and appeals; (f) denial of an enrollee's request to dispute financial liability, including co-payments, premiums, deductibles, coinsurance, other cost sharing, and other member financial liabilities; (g) denial of an enrollee, who is a resident of a rural area with only one MCO, to obtain services outside the MCO's network of contracted providers; (h) development of a plan of care that is unacceptable to the enrollee because the plan of care requires the enrollee to live in a place that is unacceptable to the enrollee, the plan of care does not provide sufficient care, treatment, or support to meet the enrollee's needs and support the enrollee's identified outcomes, or the plan of care requires the enrollee to accept care, treatment, or support that is unnecessarily restrictive or unwanted by the enrollee; or (i) involuntary disenrollment from the MCO.

Modify the procedure for a Family Care enrollee to contest a decision, omission or action of an MCO other than those otherwise specified in state statute (and summarized above) by filing a grievance with the MCO. If the grievance is not resolved to the satisfaction of the enrollee, he or she may request that DHS review of the decision of the MCO. Current law allows the enrollee to contest a decision, omission or action of an MCO other than those specified state statute or may contest the choice of service provider. In these instances, the enrollee must first send a written request for review by the unit of DHS that monitors MCO contracts. This unit must review and attempt to resolve the dispute. If the dispute is not resolved to the satisfaction of the enrollee, he or she may request a hearing under the procedures specified in state law.

Specify that any person whose application for medical assistance is denied or is not acted upon promptly or who believes that the payments made in the person's behalf have not been properly determined or that his or her eligibility has not been properly determined may file an appeal with DHS pursuant to state statute. Specify that a review is unavailable if the decision or failure to act arose more than 45 days before submission of the petition for a hearing, except for in some circumstances, as outlined below. Provide that if federal regulations specify a different time limit to request a hearing than the one outlined in this paragraph or the paragraph below, the time limit in the federal regulations must apply.

Require that a person must request a hearing within 90 days of the date of receipt of a notice from an MCO upholding its adverse benefit determination relating to any of the following or within 90 days of the date the MCO failed to act on a contested matter within the time specified by DHS: (a) denial or limited authorization of a requested service, including a determination based on the type or level of service, requirements for medical necessity, appropriateness, setting, or effectiveness of a covered benefit; (b) reduction, suspension, or termination of a previously authorized service, unless the service was only authorized for a limited amount or duration and that amount or duration has been completed; (c) denial in whole or in part of payment for a service; (d) failure to provide services in a timely manner; (e) failure of an MCO to act within the federally required time frames regarding the standard resolution of grievances and appeals; (f) denial of an enrollee's request to dispute financial liability, including co-payments, premiums, deductibles, coinsurance, other cost sharing, and other member financial liabilities; and (g) denial of an enrollee, who is a resident of a rural area with only one MCO, to obtain services outside the organization's network of contracted providers.

Specify that in cases of appeals the Department must render its decision as soon as possible after the hearing and must send a copy of its decision to the applicant or recipient, to the county clerk, and to any county officer charged with administration of the MA program. The bill would eliminate the need for the copy of the Department's decision to be certified.

Specify that, in addition to current circumstances under which the Department must deny a petition for a hearing or refuse to grant relief, the Department must deny a petition for a hearing or refuse to grant relief if the issue is an adverse benefit determination described in the paragraphs above made by an MCO and the person requesting the hearing has not exhausted the internal appeals procedure with the organization.

28. CHILDLESS ADULT DEMONSTRATION

Governor: Repeal a provision that requires DHS to implement the provisions of a federal Medicaid waiver, approved on October 31, 2018, as it relates to program eligibility for adults without dependent children ("childless adults"), as well as related nonstatutory provisions contained in 2017 Act 370 providing timelines for implementation of specific provisions of the waiver. Repeal a provision that required the Department submit a request for the childless adult waiver and that identified the elements that must be included in the request. Authorize DHS to submit a request to the federal Department of Health and Human Services to modify or withdraw from the waiver.

The federal waiver contains the following elements: (a) monthly premiums of $8 for childless adults in households with income that exceeds 50% of the federal poverty level; (b) a reduction of the monthly premium by up to half for childless adults who do not engage in behaviors that increase health risks; (c) a 48-month time limit, tied to a work or community engagement requirement (failure to satisfy the work or community engagement requirement for a total of 48 months results in temporary ineligibility); (d) a requirement to complete a health risk assessment; and (e) an $8 copayment for the nonemergency use of a hospital emergency department. Under 2017 Act 370, DHS is required to implement the provisions of the waiver as soon as practicable after October 31, 2018, and no later than November 1, 2019, except that the time limit and health risk assessment provisions may take effect no sooner than October 31, 2019.

Joint Finance: Delete provision.

29. REPEAL HEALTH SAVINGS ACCOUNT PROGRAM

Governor: Repeal the provisions of 2017 Wisconsin Act 271, which require the Department to seek federal approval to establish and implement a savings account program that is similar in function and operation to health savings accounts in the MA program.

Joint Finance: Delete provision.

30. MA ELIGIBILITY -- COOPERATION WITH CHILD SUPPORT AND ESTABLISHING PATERNITY

Governor: Modify current law as it pertains to cooperation with establishing child support orders, avoiding delinquent support, and cooperation in establishing paternity for purposes of MA eligibility.

Repealed Provisions. Repeal all provisions enacted in 2017 Wisconsin Act 268, as follows.

Child Support Noncompliance. Under current law, an able-bodied individual is ineligible for the MA program in a month in which the able-bodied adult: (a) is a custodial parent of, or lives with and exercises parental control over a child who is under the age of 18 and who has an absent parent; (b) refuses to cooperate fully, in good faith, with efforts directed at establishing or enforcing any support order or obtaining any other payments or property to which that adult of the child may have rights; and (c) does not have good cause for refusing to cooperate, as determined by DHS in accordance with federal law and regulations.

In addition, an able-bodied adult who is a noncustodial parent of a child under the age of 18 who refuses to cooperate in providing or obtaining support for the child is ineligible for MA benefits.

Paternity. Under current law, an able-bodied individual is ineligible for the MA program in a month in which the able-bodied adult: (a) is a custodial parent of, or lives with and exercises parental control over a child who is under the age of 18 and who has an absent parent; (b) refuses to cooperate fully, in good faith, with applicable efforts directed at establishing paternity of the child; and (c) does not have good cause for refusing to cooperate, as determined by DHS in accordance with federal law and regulations.

In addition, an able-bodied adult is ineligible for MA benefits if the able-bodied adult refuses to cooperate fully, in good faith, with efforts directed at establishing paternity of the child and the able-bodied adult is: (a) alleged to be the father of a child under the age of 18; or (b) a noncustodial parent of a child under the age of 18 for whom paternity has not been established.

Delinquent Support. Under current law, an able-bodied individual is ineligible for the MA program in a month in which the adult is obligated by order granted inside or outside the state to provide support payments and is delinquent in making those payments unless any of the following is true: (a) the delinquency balance equals less than three months of the ordered support payment amount; (b) the court or a county child support agency is allowing the able-bodied adult to delay the child support payments; (c) the able-bodied adult is complying with a payment plan approved by a county child support agency; (d) the able bodied adult is participating in an employment and training program, as determined by DHS; or (e) the able-bodied adult is participating in a substance abuse treatment program, as determined by the Department.

Inapplicability for Dependent Children and Notification Requirements. Current law specifies that a dependent child remains eligible for MA even if a person charged with the care and custody of the of the dependent child is ineligible because he or she did not comply with the section. In addition, DHS and county human services are required to notify each MA applicant of

these requirements at the time of application.

Implementation Conditioned on Federal Approval and Budget Neutrality. Act 268 specifies that if DHS or the Department of Children and Families (DCF) determines that federal approval is required to implement these requirements, the applicable agency must seek approval through an MA state plan amendment or request a waiver from the U.S. Department of Health and Human Services (DHHS). The state Departments must implement these requirements to the extent that DHHS does not disapprove the plan amendment or waiver request, if DCF determines that these provisions may be implemented in a way that is substantially state budget neutral in regard to child support fees.

DHS has indicated that, barring a change to federal law, these provision cannot be implemented in a substantially state budget-neutral manner in regard to child support fees. As such, DHS has not implemented any of the Act 268 provisions to date.

Restored Provisions. Act 268 repealed a requirement that, as a condition of eligibility for MA, a person must cooperate in good faith with efforts directed at establishing the paternity of a non-marital child and obtaining support payments or any other payments or property to which the person and the dependent child or children may have rights. This cooperation must be in accordance with federal law and regulations applying to paternity establishment and collection of support payments and cannot be required if the person has good cause for refusing to cooperate, as determined by DHS in accordance with federal law and regulations.

Under the Governor's budget bill, this provision would be restored.

Differences between Repealed and Restored Provisions. Substantive differences between the Act 268 provisions and the pre-Act 268 provisions that would be restored in the bill include the eligibility requirements surrounding delinquent support that Act 268 imposes, which were not part of the previous eligibility requirements and are therefore not part of the provisions included in the Governor's budget. Additionally, DHS interpreted the pre-Act 268 requirement that a person must cooperate with efforts directed at obtaining support payments to mean that the custodial parent must identify the birth father to the child support agency, other than in circumstances where the individual has good cause for refusing to cooperate as determined by DHS. The Act 268 requirement clearly specifies that the child support and paternity compliance requirements apply to both the custodial and non-custodial parent, and apply to not only establishing, but also enforcing child support orders.

With the proposed elimination of the revised child support and paternity compliance requirements, no funding would be necessary for implementation. The Department's 2019-21 budget request, anticipating implementation of the revised child support and paternity compliance requirements, included $276,300 ($69,100 GPR and $207,200 FED) in 2019-20 and $828,800 ($207,200 GPR and $621,600 FED) in 2020-21 to increase funding DHS distributes to county income maintenance (IM) consortia and tribal IM agencies to meet workload resulting from this policy change.

Joint Finance: Delete provision.

31. JOINT COMMITTEE ON FINANCE REVIEW AND APPROVAL OF CERTAIN MA PROGRAM CHANGES

Governor: Repeal provisions enacted as part of 2017 Wisconsin Act 370 that require DHS to submit all MA state plan amendments, rate changes, and supplemental payments to the Joint Committee on Finance for review and approval if: (a) explicit expenditure authority or funding for the specific rate change or supplemental payment has not been included in enacted legislation; and (b) the amendment, rate change, or payment has an expected fiscal effect of $7,500,000 or more from all revenue sources over a 12-month period following the implementation date of the amendment, rate change, or payment. Repeal the 14-day passive review process as it applies to the Committee's review of all MA state plan amendments, rate changes, and supplemental payments under this provision.

Joint Finance: Delete provision.

32. JOINT COMMITTEE ON FINANCE REVIEW PROCESS FOR FEDERAL WAIVERS, PILOT PROGRAMS, AND DEMONSTRATION PROJECTS

Governor: Repeal provisions enacted as part of 2017 Act 370 that require DHS to follow various procedures related to requests to a federal agency for a waiver, or a renewal, modification, withdrawal, suspension, or termination of a waiver of federal law or rules, or for federal authorization to implement a pilot program or demonstration project (collectively referred to as "waiver requests" hereafter).

The Act 370 provision that would be repealed does the following: (a) prohibits DHS from submitting a waiver request unless legislation has been enacted specifically directing the submission of the request; (b) requires DHS to submit implementation plans to the Joint Committee on Finance for waiver requests that the Department is required to submit but which have not yet been submitted; (c) requires DHS to submit any waiver request to the Committee for approval prior to submittal to a federal agency; (d) requires DHS to provide monthly progress reports and provide quarterly testimony upon request to the Committee on waiver requests that have been submitted but not yet acted upon by a federal agency; (e) requires DHS to submit any waiver request approved by a federal agency to the Committee for approval before the Department agrees to the final proposal; (f) requires DHS to submit an implementation plan to the Committee for approval of any waiver request that has been approved by a federal agency but not yet fully implemented; (g) requires DHS to provide monthly progress reports and provide quarterly testimony upon request to the Committee on waiver requests that have been approved but not yet fully implemented; (h) requires DHS to submit an application for a renewal of a waiver request to the Committee for approval and authorizes the Co-Chairs to determine whether the renewal request contains substantial modifications, in which case the renewal request must comply with the procedures and requirements outlined above for initial requests; and (i) authorizes the Committee to reduce DHS appropriations or authorized positions if the Committee determines that the Department is not making sufficient progress in complying with these provisions.

Repeal an Act 370 provision that requires the Office of the Commissioner of Insurance to comply with the waiver request oversight provisions described above as it relates to any renewal

or modification of a waiver request for the Wisconsin healthcare stability program. The bill would not otherwise modify the provisions of that program.

Joint Finance: Delete provision.

33. PHYSICAL HEALTH SERVICE PROVIDER REIMBURSEMENT

FED	$1,466,400

Joint Finance: Provide $1,230,300 ($500,000 GPR and $730,300 FED) in 2019-20 and $1,236,100 ($500,000 GPR and $736,100 FED) in 2020-21 for MA reimbursement rate increases for physical health service providers, but transfer $500,000 GPR annually to the Committee's program supplements appropriation, which would enable the Department to submit a request under s. 13.10 of the statutes for an appropriation supplement for reimbursement rate increases for physical health service providers. The GPR funding for this item is shown under "Program Supplements."

34. RACINE COUNTY NURSING HOME LABOR REGION

Joint Finance: Move Racine County from its current labor region to the Milwaukee labor region, which includes Milwaukee, Ozaukee, Washington, and Waukesha counties, for purposes of calculating medical assistance (MA) reimbursement to nursing homes. Require DHS to adjust MA payments to nursing homes so that the direct care cost targets of facilities in Milwaukee, Ozaukee, Washington, and Waukesha counties are not reduced as a result of including facilities in Racine County in this labor region.

Medicaid Services Administration

1. DIVISION OF MEDICAID SERVICES ADMINISTRATION -- CONTRACTS AND OTHER SUPPLIES AND SERVICES [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$19,813,000	- $5,931,400	$13,881,600
FED	64,078,500	- 33,880,700	30,197,800
PR	0	- 2,141,000	- 2,141,000
Total	$83,891,500	- $41,953,100	$41,938,400

Governor: Provide $51,136,100 ($11,270,100 GPR and $39,866,000 FED) in 2019-20 and $32,755,400 ($8,542,900 GPR and $24,212,500 FED) in 2020-21 to reflect the net effect of funding adjustments to appropriations that support contracted services and general program operations for the Division of Medicaid Services (DMS). Factors resulting in these funding adjustments include projects to modify claims and eligibility information systems to implement

state and federal law and policy changes, and rate increases incorporated into current contracts.

Contract Costs. Provide $50,514,900 ($10,948,700 GPR and $39,566,200 FED) in 2019-20 and $31,936,000 ($8,118,300 GPR and $23,817,700 FED) in 2020-21 to increase funding to support contracted services for DMS. The Medicaid fiscal agent, DXC Technology (DXC) is responsible for business functions, including claims processing, provider enrollment, customer service, federal and state reporting, and program integrity. This item includes the estimated costs of a recently negotiated base contract, implementing enhancements to the Medicaid Management Information System (MMIS), and services DXC will provide that are not included in the base contract.

The client assistance and re-employment and economic support (CARES) system is used by county and state income maintenance staff to determine eligibility and manage cases for Medicaid, SeniorCare, FoodShare, and several other public assistance programs. Funding is budgeted to support the CARES vendor, Deloitte, to maintain the system and to conduct programming services. Funding is also budgeted for DHS to pay the Department of Administration for mainframe, Internet support, and application hosting services.

Other contracts include: (a) a contract with Fidelity National Information Services to provide electronic benefit transfer (EBT) services for the FoodShare program; (b) a contract with the Medicaid enrollment broker (MAXIMUS) to assist recipients in enrolling in Medicaid managed care plans; (c) numerous external contracts with private and public entities that provide specialized administrative services, including MetaStar, Disability Rights Wisconsin, PSG, and the University of Wisconsin; (d) services provided by other state agencies and units within DHS, including hearings conducted by the Department of Administration's inter-agency and intra-agency agreements, disability determinations conducted by the DHS Bureau of Disability Determinations, and ombudsman services provided by the Board on Aging and Long-Term Care; and (e) general payments, including license and subscription fees.

The following table summarizes the total amounts that would be budgeted for contracted services under the bill, the base GPR and FED funding budgeted for these DMS contracts, and the difference, which is the amount that would be provided under this item.

Summary of Total Funding Requested for Division of Medicaid Services Contracts
Governor's Bill

	2019-20				2020-21			
	GPR	FED	PR	Total	GPR	FED	PR	Total
Fiscal Agent Contract (DXC)								
Base Contract	$20,658,300	$46,746,200	$2,837,000[1]	$70,241,500	$20,772,700	$46,978,700	$2,837,000	$70,588,400
Ongoing Costs Excluded from Base	3,182,300	6,460,900	0	9,643,200	3,182,300	6,460,900	0	9,643,200
Subtotal	$23,840,600	$53,207,100	$2,837,000	$79,884,700	$23,954,900	$53,439,600	$2,837,000	$80,231,600
Medicaid Management Information System -- Procurement	$4,489,500	$37,901,600	$0	$42,391,100	$4,089,300	$29,893,800	$0	$33,983,100
Client Assistance for Reemployment and Economic Support (CARES) System	26,694,200	61,449,300	668,300[2]	88,811,800	27,113,600	61,598,200	675,700	89,387,500
Medicaid Enrollment Broker	830,900	830,900	0	1,661,800	831,400	831,400	0	1,662,800
FoodShare EBT Contract	854,300	854,300	0	1,708,600	854,300	854,300	0	1,708,600
Major External Contracts	20,104,900	42,088,900	2,425,000[3]	64,618,800	17,150,900	33,976,700	2,425,000	53,552,600
Inter-Agency and Intra-Agency Agreements	2,470,600	3,107,000	1,124,400[4]	6,702,000	2,460,200	3,096,600	1,124,400	6,681,200
General Payments	492,000	243,200	543,100[5]	1,278,300	492,000	243,200	543,100	1,278,300
Total	**$79,777,000**	**$199,682,300**	**$7,597,800**	**$287,057,100**	**$76,946,600**	**$183,933,800**	**$7,605,200**	**$268,485,700**
Base Funding	$68,828,300	$160,116,100			$68,828,300	$160,116,100		
Difference -- Funding Increase for Contracts	**$10,948,700**	**$39,566,200**		**$50,514,900**	**$8,118,300**	**$23,817,700**		**$31,936,000**

[1] $2,366,000 in Senior Care enrollment fee revenue and $471,000 in revenues transferred from the Department of Children and Families.

[2] Child care funds transferred from the Department of Children and Families.

[3] Includes $2,200,000 PR in Medicaid collections generated through performance contracts and $225,000 PR in revenues transferred from DCF. Excludes funding from federal grants ($476,200 FED) and federal project aids ($1,106,100 FED).

[4] Funds transferred from DCF. Excludes $3,700 GPR budgeted in the DMS general program operations appropriation.

[5] Medicaid collections generated through performance contracts.

Supplies and Services Support for DMS Staff. Provide $621,200 ($321,400 GPR and $299,800 FED) in 2019-20 and $819,400 ($424,600 GPR and $394,800 FED) in 2020-21 to fund projected increases in rent for Milwaukee Enrollment Services (MilES), information technology, and postage costs.

Joint Finance: Reduce funding by $30,266,000 (-$4,380,900 GPR, -$24,814,600 FED and -$1,070,500 PR) in 2019-20 and by $11,687,100 (-$1,550,500 GPR, -$9,066,100 FED, and -$1,070,500 PR) in 2020-21 to modify the Governor's recommendations as follows.

Alternative Funding Increase. Rather than adopt the funding increases in the bill that reflect

the administration's proposed spending plan for contracted services in each year of the 2019-21 biennium (an increase of $10,948,700 GPR and $39,566,200 FED in 2019-20 and $8,118,300 GPR and $23,817,700 FED in 2020-21), increase funding by $6,882,800 GPR and $16,011,600 FED in 2019-20 annually to fund a 10% increase to base funding for contracted services in each year of the 2019-21 biennium. Reduce funding in the bill by $27,625,500 (-$4,065,900 GPR and -$23,554,600 FED) in 2019-20 and by $9,041,600 (-$1,235,500 GPR and -$7,806,100 FED) in 2020-21 to reflect this change.

MAPP Contracted Services. Reduce funding by $1,575,000 (-$315,000 GPR and -$1,260,000 FED) annually to delete funding in the bill for DHS to implement changes to the medical assistance purchase plan (MAPP). This would not modify current law provisions, enacted in 2017 Act 59, that require DHS to implement changes in MAPP, subject to federal approval.

These two changes, together with unfunded costs of implementing health savings accounts for certain MA recipients (under 2017 Act 271), pay-for-performance contracts for the FoodShare employment and training contracts (under 2017 Act 266), and implementing an electronic visit and verification system for personal care services as required under the federal 21 Century Cures Act, would require DHS to revise its proposed spending plan for contracted services in the 2019-21 biennium.

SeniorCare Enrollment Fee Reestimate. Reduce funding by $1,070,500 PR annually to more closely reflect anticipated revenue that DHS will collect from the $30 annual SeniorCare enrollment fees in the 2019-21 biennium. This funding is used to offset costs of administering the program, not for SeniorCare benefits costs. Under the Governor's bill, estimated revenue collections would be $4,166,000 annually. Based on current estimates of SeniorCare enrollment in the 2019-21 biennium, the enrollment fee revenue is estimated to be $3,095,500 annually.

2. SSI AND CARETAKER SUPPLEMENT REESTIMATE

GPR	- $8,194,000
PR	- 3,433,600
Total	- $11,627,600

Governor/Joint Finance: Reduce funding by $6,369,000 (-$4,652,200 GPR and -$1,716,800 PR) in 2019-20 and by $5,258,600 (-$3,541,800 GPR and -$1,716,800 PR) in 2020-21 to reflect the administration's estimates of funding that will be needed to support supplemental security income (SSI) state supplement and caretaker supplement payments in the 2019-21 biennium. SSI provides federal and GPR-funded benefits to low-income residents who are elderly, blind, or disabled. Recipients with dependent children may also receive a caretaker supplement payment supported by federal temporary assistance to needy families (TANF) funds transferred as program revenue from the Department of Children and Families (DCF).

SSI State Supplement. Reduce funding by $4,652,200 GPR in 2019-20 and by $3,541,800 GPR in 2020-21 to fully fund projected costs of state supplemental SSI benefits Base funding for these payments is $163,289,200 GPR, which is budgeted in a sum sufficient appropriation. The bill would provide a total of $158,637,000 GPR in 2019-20 and $159,747,400 GPR in 2020-21 to fund SSI state supplement payments. In March, 2019, 118,797 individuals received state supplemental SSI payments.

Caretaker Supplement. Reduce funding by $1,716,800 PR annually to reflect estimates of the amounts needed to fully fund projected SSI caretaker supplement benefit payments. DHS provides SSI recipients with a monthly payment of $250 for the first dependent child and $150 for each additional dependent child. Base TANF funding for the caretaker supplement is $26,038,000. The bill would provide a total of $24,321,200 PR in each year of the 2019-21 biennium to fund benefit payments, which is equal to the annualized average actual expenditure level between January and June of 2018.

3. CHILDREN'S LONG-TERM SUPPORT WAIVER PROGRAM -- ADMINISTRATION [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,562,400	- $1,562,400	$0
FED	2,967,000	- 701,000	2,266,000
Total	$4,529,400	- $2,263,400	$2,266,000

Governor: Provide $2,090,300 ($687,800 GPR and $1,402,500 FED) in 2019-20 and $2,439,100 ($874,600 GPR and $1,564,500 FED) in 2020-21 to implement a statewide contract for children's long-term care intake, application, and screening functions. The contract would include administration of all Katie Beckett MA screens and all initial screens for the children's long-term support (CLTS) waiver program and the children's community options program. The funding for this contract was budgeted in the Department's MA benefits appropriations, but should instead be budgeted in appropriations that support contracted MA services.

As part of the contract, funding would be provided for: (a) five children's services navigators to help direct families towards available community resources, programs, and services; (b) two children's disability resource specialists to assist families with complex or multisystem concerns experienced when seeking support for their children with disabilities; and (c) two children's disability ombudsmen to provide advocacy services for children with long-term support needs.

Joint Finance: Reduce funding by $486,100 (-$243,100 GPR and -$243,000 FED) in 2019-20 and $916,100 (-$458,100 GPR and -$458,000 FED) in 2020-21 to eliminate funding for the following contract positions: five children's services navigators, two children's resource specialists, and two children's ombudsmen.

Transfer $444,700 GPR in 2019-20 and $416,500 GPR in 2020-21 from the MA benefits appropriation to the Committee's program supplements appropriation, for purposes of seeking a statewide intake, application, and screening contract for children's long-term care services through Katie Beckett, CLTS, and CCOP. Enable the Department to submit a request under s. 13.10 of the statutes to seek the release of this funding. The Committee intends to have the Department consult with stakeholders, including advocates, families, providers, and the counties, regarding implementation of this provision prior to the release of the funds.

Transfer $1,159,500 FED in 2019-20 and $1,106,500 FED in 2020-21 from the MA benefits appropriation to the MA contracts appropriation, consistent with the administration's errata.

4. FUNERAL AND CEMETERY AIDS [LFB Paper 386]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $513,900	- $1,807,300	- $2,321,200

Governor: Reduce funding by $370,800 in 2019-20 and $143,100 in 2020-21 to reflect estimates of the amount of funding necessary to support payments under the Wisconsin funeral and cemetery aids program (WFCAP). Under the program, DHS reimburses costs incurred by funeral homes, cemeteries, and crematories for services they provide to certain deceased individuals who were eligible for medical assistance or Wisconsin Works benefits at the time of their death. DHS is required to pay up to $1,000 for cemetery expenses and up to $1,500 for funeral and burial expenses not covered by the decedent's estate or other persons. The program does not provide any reimbursement if the total funeral expenses exceed $4,500 or total cemetery expenses exceed $3,500.

Base funding for the program is $9,410,600. The administration projects that $8,803,600 in 2018-19, $9,039,800 in 2019-20, and $9,267,500 in 2020-21 will be needed to support reimbursement payments.

Joint Finance: Reduce funding by an additional $1,039,800 in 2019-20 and by $767,500 in 2020-21, so that $8,000,000 in 2019-20 and $8,500,000 in 2020-21 would be budgeted to fund reimbursement payments.

5. ELIMINATE BIRTH RECOVERY COST REQUIREMENTS

Governor: Modify current law as it pertains to the state's ability to recover birth costs for MA covered births and a court's ability to order birthing costs.

Create an exception to the current law requirements that as a condition of eligibility for MA, a person must be deemed to have assigned to the state, by applying for or receiving MA, any rights to medical support or other payment of medical expenses from any other person, including rights to unpaid amounts accrued at the time of the application for MA as well as any rights to support accruing during the time for which MA is paid.

Specify that the exception to current law would be that the state may not seek recovery of birth expenses. Under current law, if the mother of a child was enrolled in a health maintenance organization (HMO) or other prepaid health care plan under MA at the time of the child's birth, the state may recover birth expenses incurred by the HMO or other prepaid health care plan. Federal law requires that the Department of Children and Families provide an incentive payment of 15% of all amounts of medical support (including birth costs) collected by local child support enforcement efforts. The bill would effectively reduce local revenues because birth costs would no longer be collectible.

Eliminate the Department of Revenue's (DOR) ability to reduce an obligor's tax refund or

credit by the outstanding amount for birth expenses. Eliminate the Department of Administration's (DOA) ability to reduce an obligor's vendor or other state payments (except for wages, retirement benefits, veterans' housing loans provided under statutory provisions from 1971, veterans subsistence aid, or assistance under state statutes regarding social services, unemployment insurance, and the Department of Corrections) by the outstanding amount for birth expenses.

Amend current law to require that upon an obligor's appeal of DOR's or DOA's decision to withhold or reduce a tax refund, tax credit, or other state payment, the obligor's ability to pay must also be an issue if the obligation relates to an order regarding birth expenses and the order specifies that the court found that the obligor's income was at or below the federal poverty level. Under current law, the obligor's ability to pay must be an issue at the hearing if the obligation relates to birthing costs imposed as part of an order of voluntary acknowledgement of paternity, or a paternity judgement or order.

Repeal statutory requirements that birthing costs be imposed as part of a court order for the voluntary acknowledgement of paternity, or in a paternity judgement or order.

Require that these amendments first apply to an order or judgement relating to paternity issued on the effective date of these provisions.

Amend current statutory provisions pertaining to birth recovery costs to reflect technical changes to improve clarity and scope of DOR statutes pertaining to debt collection. [See "Revenue -- Tax Administration."]

Joint Finance: Delete provision.

6. QUI TAM ACTIONS FOR FALSE CLAIMS

Governor: Create provisions that authorize private individuals to bring qui tam claims against a person who makes a false or fraudulent claim for reimbursement under any state-funded program, including medical assistance. If the government recovers money from such a case, the individual may be entitled to an award or a percentage of the recovery, up to 30% of the amount that is recovered.

The provision would enable the state to comply with requirements of the federal False Claims Act, which created a financial incentive for states to strengthen their Medicaid fraud and abuse laws, so that if a state enacts provisions in state law that are modeled on the federal version of the False Claims Act, CMS will increase the state's share of amounts recovered by 10 percentage points. Without the incentive, states retain a portion of recovered funds equal to the state's share of MA benefit costs (approximately 41% for most services in Wisconsin). With the incentive, the state would retain approximately 51% of amounts recovered under the state's false claims laws.

The overall effect of these qui tam claim provisions on total MA recoveries and fraudulent Medicaid claims submitted by health care providers is unknown. The bill does not assume an increase in MA collections in the 2019-21 biennium should these provisions be enacted.

For a complete description of these provisions, see "Justice."

Joint Finance: Delete provision.

Public Health

1. LEAD EXPOSURE AND POISONING PREVENTION [LFB Paper 390]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$8,904,000	2.14	- $6,904,000	- 2.14	$2,000,000	0.00
FED	27,100,500	0.00	- 14,885,900	0.00	12,214,600	0.00
Total	$36,004,500	2.14	- $21,789,900	- 2.14	$14,214,600	0.00

Governor: Provide $19,945,900 ($3,859,600 GPR and $16,086,300 FED) in 2019-20 and $16,058,600 ($5,044,400 GPR and $11,014,200 FED) in 2020-21 and 2.14 GPR positions, beginning in 2019-20, to support lead exposure prevention activities, as described below. Modify the lead poisoning or lead exposure prevention grant program to specify that grants may be made for residential lead hazard abatement, residential lead hazard reduction, and lead abatement worker training.

CHIP Funding for Lead Abatement. Provide $17,973,400 ($2,136,200 GPR and $15,837,200 FED) in 2019-20 and $14,335,700 ($3,321,500 GPR and $11,014,200 FED) in 2020-21 for lead abatement involving residential properties occupied by children and pregnant women eligible for MA or the children's health insurance program (CHIP). The state and federal share of these amounts reflects the CHIP federal matching rate applicable for the biennium, which is projected at 85.92% in 2019-20, and to 74.42% in 2020-21. The federal funding would be provided from the state's federal CHIP allocation. Lead abatement involves the removal of lead-based paint from homes of children who have been identified as having elevated blood lead levels or who are at risk of lead poisoning.

The Department intended to begin funding lead abatement services in 2018-19, using CHIP funds and state matching funds from base resources. Accessing federal CHIP funds for this purpose requires an amendment to the state's federal CHIP plan, and such plan amendments must be approved by the Joint Committee on Finance prior to submittal to the federal Department of Health and Human Services. On February 14, 2019, the Department submitted a proposed plan amendment to the Committee under a 14-day passive review process. However, an objection to the plan amendment was registered, so the Department cannot submit the amendment unless the Committee meets to approve it. To date, no meeting had been scheduled to review the plan amendment. Consequently, DHS had not implemented this provision. This item would provide funding in the 2019-21 biennium, although implementation of this initiative would still require the Committee to approve an amendment to the state's CHIP plan.

Abatement for Properties Not Occupied by CHIP-Eligible Children. Provide $1,000,000 GPR annually for lead abatement grants for properties not occupied by children enrolled in MA or CHIP.

Abatement Training Grants. Provide $50,900 GPR and $249,100 FED in 2019-20 to fund lead abatement training grants, with the intent of expanding the certified lead abatement workforce. Since this initiative would use federal CHIP funds, it would also require a CHIP plan amendment.

Public Health Outreach. Provide $500,000 GPR annually for grants to physician groups to establish a peer-to-peer public health outreach programs to increase lead testing among children at risk for lead poisoning.

State Staff. Provide $172,500 GPR in 2019-20 and $222,900 GPR in 2020-21 and 2.14 positions, beginning in 2019-20, for lead exposure and poisoning prevention activities. Of these positions, 1.0 would be a public health educator project position in the Division of Public Health, to administer the public health outreach initiative. The other 1.14 positions would be permanent positions to enhance the Department's lead poisoning prevention programs. The Department indicates that it would reallocate 2.86 existing federal positions to supplement the permanent 1.14 GPR positions, to provide a total of 4.0 positions for the program. These positions would replace 4.0 contract positions currently conducting program activities (a contract specialist, a public health nurse, a database specialist, and an epidemiologist).

The following table summarizes the funding provided for the lead exposure and poisoning prevention initiative under this item. A separate item, summarized under Medical Assistance, would provide $3,500,100 annually to make incentive payments to BadgerCare Plus HMOs to increase the rate of blood lead testing of children enrolled in MA.

Summary of Proposed Lead Exposure and Poisoning Prevention Funding

	2019-20			2020-21		
	GPR	FED	Total	GPR	FED	Total
Lead Abatement Grants	$2,136,200	$15,837,200	$17,973,400	$3,321,500	$11,014,200	$14,335,700
Non-CHIP Abatement	1,000,000	0	1,000,000	1,000,000	0	1,000,000
Workforce Training	50,900	249,100	300,000	0	0	0
Public Health Outreach	500,000	0	500,000	500,000	0	500,000
State Positions	172,500	0	172,500	222,900	0	222,900
Total	$3,859,600	$16,086,300	$19,945,900	$5,044,400	$11,014,200	$16,058,600

Joint Finance: Delete provision (-$3,859,600 GPR and - $16,086,300 FED in 2019-20 and -$5,044,400 GPR and -$11,014,200 FED and -2.14 GPR positions, beginning in 2019-20). Instead, provide $14,214,600 ($2,000,000 GPR and $12,214,600 FED) in 2019-20 to fund lead abatement to residential properties occupied by children and pregnant women eligible for MA or the federal children's health insurance program. Retain the Governor's statutory changes that would authorize DHS to award grants for residential lead abatement and residential lead hazard reduction, but delete a provision that would authorize DHS to award grants for lead abatement worker training.

2. BIRTH TO 3 PROGRAM [LFB Paper 391]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$9,150,000	- $9,150,000	$0

Governor: Provide $1,550,000 in 2019-20 and $7,600,000 in 2020-21 to expand access to services under the Birth to 3 Program. Under this item, DHS would increase the number of children who would be eligible for services to include all at-risk children with lead exposure levels at or above five micrograms per deciliter (mg/dl). Wisconsin's current eligibility standard for the program, as it pertains to lead exposure, is 10 mg/dl. The administration estimates that this change would result in an additional 2,000 children becoming eligible for Birth to 3 services. In 2017, approximately 12,100 children received services under the program.

The Birth to 3 program offers early intervention services to children, ages birth to three, who are identified with, or determined to be at risk for developmental delays. Currently, a child is eligible for services if the child has a developmental delay of at least 25% in one area of development or is diagnosed by a physician as having a high probability of developmental delay. The program is funded from several sources, including federal funds the state receives under the Individuals with Disabilities Education Act, county funds, community aids, medical assistance, private insurance, and parental cost sharing.

Funding for the Birth to 3 eligibility expansion is partially offset by a one-time $2,250,000 GPR reduction in funding that would be budgeted to support the children's community options program (CCOP) in 2019-20. However, DHS would use a corresponding amount of funding for the program carried over from the current biennium to maintain funding for CCOP in each year of the 2019-21 biennium at its current budgeted level ($11.2 million per year).

CCOP provides supports and services to children (under 22 years of age) living at home or in the community who have one or more of the following long-term disabilities: developmental disabilities, physical disabilities, or severe emotional disturbances. The child’s disability is characterized by a substantial limitation on the ability to function in at least two of the following areas: (a) self-care, (b) receptive and expressive language, (c) learning, (d) mobility, and (e) self-direction. Additionally, eligible children must require a level of care typically provided at an intermediate care facility for individuals with intellectual disabilities, a nursing home, or a hospital.

The following table summarizes the funding changes for the Birth to 3 program and CCOP under the bill.

Governor's Budget Recommendations
Birth to Three and Children's COP Funding (GPR)

	2019-20		2020-21	
	CCOP	Birth to 3	CCOP	Birth to 3
Base	$11,200,000	$5,789,000	$11,200,000	$5,789,000
Carryover from 2018-19	2,250,000	0	0	0
Total Available	$13,450,000	$5,789,000	$11,200,000	$5,789,000
Funding Change in This Item	-2,250,000	3,800,000	0	7,600,000
Total Available for Services (Governor's Bill)	$11,200,000	$9,589,000	$11,200,000	$13,389,000
Change in Available Funding	$0	$3,800,000	$0	$7,600,000

Joint Finance: Delete provision. Require that DHS transfer $2,250,000 on a one-time basis from CCOP to Birth to 3 in 2019-20. Subsequently, require that DHS transfer carry over funding from COP to CCOP in order to maintain funding for CCOP in each year of the 2019-21 biennium at its current budgeted level ($11.2 million per year).

3. TOBACCO USE CONTROL [LFB Paper 392]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$6,600,000	- $6,600,000	$0

Governor: Provide $3,300,000 annually to increase state-funded tobacco use control activities administered by the Division of Public Health, from $5,315,000 annually to $8,615,000 annually. Although not specified in the bill, the funding increase has three purposes.

First, $2,300,000 annually would be provided to increase support for the University of Wisconsin Center for Tobacco Research and Intervention's (UW-CTRI) Wisconsin Tobacco Quit Line. The Wisconsin Tobacco Quit Line is a free service to help people quit smoking, vaping, and using tobacco in other ways by providing free one-on-one phone counseling and information, local cessation program referrals, and starter packs of medications such as nicotine gum, patches, and lozenges. The program is funded through a combination of GPR and federal grants. In 2018-19, DHS provided approximately $672,800 GPR for the program.

In addition, $500,000 of the additional funding in each year would be provided to the Wisconsin Nicotine Treatment Integration Project, which integrates evidence-based nicotine dependence treatment into behavioral health services. In 2018-19, this program received $42,680 in GPR funding and an additional one-time $112,000 FED from the community mental health services block grant distributed by the Department.

Finally, the bill would provide $500,000 in each year to improve outreach and cessation resources to individuals who have adverse childhood experiences (ACEs). This funding would be provided to the UW-CTRI to establish a grant program to increase the number of practitioners across the state who understand the impact of trauma and are able to identify ACE indicators among patients with tobacco use.

Joint Finance: Delete provision.

4. DEMENTIA INITIATIVES [LFB Paper 393]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,939,800	-$3,499,800	$1,440,000
FED	844,000	- 592,000	252,000
Total	$5,783,800	- $4,091,800	$1,692,000

Governor: Provide $2,883,600 ($2,461,600 GPR and $422,000 FED) in 2019-20 and $2,900,200 ($2,478,200 GPR and $422,000 FED) in 2020-21 to expand the dementia care specialist program on a statewide basis and to create a dementia training program for health care providers.

ADRC Dementia Care Specialist Program. Expand the dementia care specialist program to all aging and disability resource centers (ADRCs) by funding an additional 27 dementia care specialists and three tribal dementia care specialists.

Dementia care specialists are not state employees but rather are employed by county ADRCs. Currently there are 21 dementia care specialists working in ADRCs, covering 34 counties, as well as three tribal dementia care specialists employed by tribal agencies.

Dementia Training for Health Care Providers. Define "academic detailing" to mean a teaching model under which health care experts are taught techniques for engaging in interactional educational outreach to other health care providers and clinical staff to provide information on evidence-based practices and successful therapeutic interventions with the goal of improving patient care.

Require DHS to establish and implement a two-year academic detailing primary care clinic dementia training program in 10 primary care clinics in the state through a contract with the Wisconsin Alzheimer's Institute.

Require that DHS, as part of the training program, provide primary care providers with clinical training and access to educational resources on best practices for diagnosis and management of common cognitive disorders, and referral strategies to dementia specialists for complicated or rare cognitive or behavioral disorders.

Require DHS to ensure that the training program includes at least the following three components: (a) the most current research on effective clinical treatments and practices is systematically evaluated by the academic detailing team; (b) information gathered and evaluated

as part of (a) is packaged into an easily accessible format that is clinically relevant, rigorously sources, and compellingly formatted; and (c) training is provided for clinicians to serve as academic detailers that equips them with clinical expertise and proficiency in conducting an interactive educational exchange to facilitate individualized learning among participating primary care practitioners in the target clinics.

Funding for the dementia training for health care providers ($61,600 GPR in 2019-20 and $78,200 GPR in 2020-21) would be provided on a one-time basis.

Joint Finance: Reduce funding by $2,037,600 (-$1,741,600 GPR and -$296,000 FED) in 2019-20 and by $2,054,200 (-$1,758,200 GPR and -$296,000 FED) in 2020-21 to (a) fund eight dementia care specialists and one tribal dementia care specialists, and (b) delete the creation and funding of an academic detailing training program for health care providers.

5. DENTAL SERVICES -- PUBLIC HEALTH [LFB Paper 394]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$2,979,000	4.60	- $979,000	- 4.60	$2,000,000	0.00

Governor: Provide $1,189,500 in 2019-20 and $1,789,500 in 2020-21 and 4.60 positions, beginning in 2019-20, to support three dental health initiatives in the Division of Public Health.

Seal-a-Smile. Provide $275,000 in 2019-20 and $450,000 in 2020-21 to increase the scope and funding levels for grants DHS provides under the Seal-A-Smile program.

Under current law, DHS is required to award annual grants, totaling $170,000 annually, for fluoride supplements ($25,000), a fluoride mouth-rinse program ($25,000), and a school-based dental sealant program ($120,000). [In practice, DHS has allocated approximately $350,000 GPR per year for the school-based dental sealant program.] Under the bill, beginning in 2020-21, DHS would be required to award annual grants totaling no less than $50,000 for fluoride varnish and other evidence-based oral health activities, $700,000 for school-based preventive dental services, and $100,000 for school-based restorative dental services.

Notwithstanding the annual allocation amounts described above, in fiscal year 2019-20, DHS would be directed to award $525,000 for school-based preventive dental services, $100,000 for school-based restorative dental services, and $50,000 for fluoride varnish and other evidence-based oral health activities.

The following table summarizes these funding changes in the bill.

Seal-A-Smile Funding Allocations

	2019-20			2020-21		
	Base	Bill	Change	Current	Bill	Change
Fluoride Supplements	$25,000	$0	-$25,000	$25,000	$0	-$25,000
Fluoride Mouth-Rinse Program	25,000	0	-25,000	25,000	0	-25,000
School-Based Dental Sealant Program*	350,000	0	-350,000	350,000	0	-350,000
School-Based Preventive Dental Services	0	525,000	525,000	0	700,000	700,000
School Based Restorative Dental Services	0	100,000	100,000	0	100,000	100,000
Fluoride Varnish and Other Evidence-Based Oral Health Activities	0	50,000	50,000	0	50,000	50,000
Total	$400,000	$675,000	$275,000	$400,000	$850,000	$450,000

* The statutory allocation is $120,000 per year.

Dental Clinics. Provide $425,000 in 2019-20 and $850,000 in 2020-21 to increase funding for grants provided to dental clinics that serve low-income patients.

Under current law, DHS is required to distribute grants to no fewer than nine nonprofit dental clinics in Wisconsin that are not federally qualified health centers and which primarily serve low-income patients. Base funding for these grants is $850,000 GPR annually. The Department indicates that the total amount of funding requested through this program was approximately $2,000,000 in 2018-19.

Oral Health Program Positions. Provide $489,500 annually to support 4.60 positions, beginning in 2019-20, in the Division of Public Health to expand dental services to MA, BadgerCare Plus, and other low-income patients.

The funding in the bill is intended to replace federal grants from the Health Research Services Agency and the Centers for Disease Control which had previously been used to fund these positions. In the summer of 2018 the Department was informed that this federal funding would no longer be provided.

Joint Finance: Modify the Governor's recommendations by deleting the 4.60 oral health positions for the Division of Public Health and $489,500 annually.

6. DENTAL THERAPY TRAINING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,500,000	- $1,500,000	$0

Governor: Provide $500,000 in 2019-20 and $1,000,000 in 2020-21 to fund one-time grants to educational institutions for costs associated with beginning a dental therapy training program. Direct DHS to establish criteria for approving and distributing these grants. The administration's intent is to provide grant funding for this purpose in the 2019-21 biennium only, from a current

appropriation that supports aids and local assistance relating to public health services.

Joint Finance: Delete provision.

7. MINORITY HEALTH

GPR	$767,200
PR	- 267,200
Total	$500,000

Governor/Joint Finance: Provide $250,000 ($383,600 GPR and -$133,600 PR) annually to increase funding for grants under the minority health program, and to reflect a change in the program's funding source from PR to GPR. Modify the criteria used to distribute these grants to specify that DHS must give priority to applicants that provide maternal and child health services.

Under current law, the Department is budgeted $113,600 PR annually from Indian gaming receipts to fund grants for activities to improve the health status of economically disadvantaged minority group members. DHS awards grants of up to $50,000 per year, and grantees must provide at least 50% of the grant amount in matching funds, either in funding or as in-kind contributions. The bill would repeal the PR appropriation, and create a GPR appropriation to fund the program instead.

Under current law, DHS is also required to award, from the same PR appropriation, a grant of up to $50,000 to a private nonprofit corporation to conduct a public information campaign on minority health. Under the bill, this grant would also be funded by GPR. [See "Administration -- Division of Gaming."]

8. HEALTHY AGING GRANT [LFB Paper 395]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Provide $250,000 annually and require DHS to award a grant of $250,000 in each fiscal year to an entity that conducts programs in healthy aging. Create an appropriation in the Department's Division of Public Health for this purpose.

Joint Finance: Delete provision.

9. WISCONSIN CHRONIC DISEASE PROGRAM

GPR	- $535,100
PR	- 62,600
Total	- $597,700

Governor/Joint Finance: Reduce funding by $399,300 (-$346,100 GPR and -$53,200 PR) in 2019-20 and by $198,400 (-$189,000 GPR and -$9,400 PR) in 2020-21 to reflect estimates of the amounts needed to fund the Wisconsin Chronic Disease Program (WCDP) in the 2019-21 biennium. The WCDP funds services for individuals with chronic renal disease, hemophilia, and adult cystic fibrosis that are not covered by other public or private health insurance plans. Enrollees in WCDP are responsible for

deductibles and coinsurance based on their household income and size, and copayments on prescription medications. The Department receives rebate revenue from drug manufactures for medications dispensed through WCDP, which is budgeted as program revenue.

Base funding for the program is $5,165,000 ($4,128,300 GPR and $1,036,700 PR). The administration estimates total program costs will be $4,765,700 ($3,782,200 GPR and $983,500 PR) in 2019-20 and $4,966,600 ($3,939,300 GPR and $1,027,300 PR) in 2020-21. The estimate includes $250,000 GPR annually as a contingency that would be available if costs exceed the administration's estimates.

10. DISPATCHER ASSISTED CARDIOPULMONARY RESUSCITATION

GPR	$211,800

Governor/Joint Finance: Provide $105,900 annually, beginning in 2019-20, for DHS to assist public safety answering points (PSAPs) in complying with dispatcher training requirements on telephonic assistance on administering cardiopulmonary resuscitation (CPR) enacted in 2017 Wisconsin Act 296. This funding includes: (a) $75,900 GPR annually for DHS to distribute, either as grants to PSAPs or to contract with an entity to provide training to PSAPs; and (b) $30,000 annually to fund supplies and services for the program, budgeted in the Division of Public Health's general program operations appropriation.

Act 296 requires, by May 1, 2021, every PSAP to provide, in appropriate circumstances, telephonic assistance on administering CPR by either: (a) providing each dispatcher with training in CPR, as specified in the act; or (b) transferring callers to a dedicated telephone line, telephone center, or another PSAP to provide the caller with assistance in administering CPR. Act 296 specifies that if a PSAP transfers a call, it must use an evidence-based protocol for identifying persons in need of CPR, provide appropriate training and continuing education on this protocol; and (d) ensure that the entity to which the call is transferred meets training requirements specified in the act. Act 296 provided $250,000 GPR in 2017-18 in one-time funding for DHS to provide training to emergency dispatchers in the 2017-19 biennium, and directed DHS to request funding for ongoing dispatcher training in its 2019-21 budget request.

11. WELL WOMAN PROGRAM

GPR	$200,000

Governor/Joint Finance: Increase funding budgeted for the Wisconsin Well Woman Program by $100,000 annually, from $2,328,200 to $2,428,200 in each year. In addition, modify a current provision that requires DHS to expend at least $60,000 annually for the provision of multiple sclerosis (MS) services to women to instead require DHS to expend up to $60,000 annually for the provision of MS services to women.

The program is funded with a combination of GPR and federal funds the state receives from the Centers for Disease Control and Prevention In 2018-19, the program received $2,200,000 in federal funding, while GPR funding for the program was budgeted at $2,328,200.

The Well Woman Program provides uninsured and underinsured women, ages 45 through 64 with household income of up to 250% of the federal poverty level, with breast and cervical

screening services. The statutory provisions relating to the program include several funding allocations for the program, including (a) breast cancer screening services; (b) media announcements; (c) breast cancer screening services using a mobile mammography van; (d) specialized training for rural colposcopy examinations; (e) reimbursement for service providers to conduct health care screening, referral, follow-up, case management, and patient education to low-income, underinsured, and uninsured women; (f) a women's health campaign; (g) osteoporosis prevention and education; (h) multiple sclerosis education; and (i) multiple sclerosis services.

The bill does not specify the program component for which the additional funding would be used.

12. INFANT MORTALITY PREVENTION

Governor/Joint Finance: Require the Department to reallocate 5.0 current full-time equivalent positions to staff an infant mortality prevention program. Require DHS to report in its 2021-23 budget request any necessary budget adjustments to reflect this reallocation of positions.

13. GRADUATE MEDICAL EDUCATION SUPPORT GRANTS

Governor/Joint Finance: Modify statutory provisions relating to graduate medical education (GME) programs as follows.

First, repeal an appropriation for the Division of Public Health that currently funds grants to establish graduate medical training programs in rural hospitals, and transfer base funding from this appropriation ($2,500,000 GPR annually) to a current appropriation for the Division of Medicaid Services that support graduate medical training programs, for which base funding is $865,000 GPR annually. Consequently, a total of $3,313,000 GPR would be budgeted annually to support both types of grants, beginning in 2019-20.

Second, expand the eligibility criteria for both types of grants to include the development of, or support of accredited GME programs in all medical specialties. Under current law, in order to be eligible for a grant, a hospital must have an existing GME program, or plan to develop a GME program, in one of the following specialties: (a) family medicine; (b) pediatrics; (c) psychiatry; (d) general surgery; or (e) internal medicine.

Third, correct a statutory reference to the appropriation from which grants are funded by deleting a reference to the MA benefits appropriation.

Under current law, DHS operates two grant programs relating to GME. The first program provides grants to rural hospitals for assistance in procuring infrastructure and increasing case volume to the extent necessary to develop accredited GME programs. The second program provides funding to hospitals for the addition of positions to existing accredited GME programs. The bill would combine these two grant programs into a single continuing appropriation under Medicaid Services.

14. FAMILY PLANNING AND WOMEN'S HEALTH BLOCK GRANT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$387,200	- $387,200	$0

Governor: Provide $193,600 annually to increase funding for the women's health block grant program. In addition, modify provisions relating to the state's family planning and women's health block grant programs as follows.

Title X (Family Planning and Related Preventive Health Services) Grant Funding. Repeal all provisions created in 2015 Wisconsin Act 151. These provisions:

- Require DHS to apply for federal funding under Title X of the Public Health Service, beginning with the 2018 application and before each subsequent application thereafter.

- Require DHS to distribute these federal funds to public entities, including state, county and local health departments and health clinics, and the well-woman program.

- Specify the types of family planning services that may be funded by the Department's grantees to include: (1) screening for cervical cancer and breast cancer; (2) screening for high blood pressure, anemia and diabetes; (3) screening for sexually transmitted diseases and HIV and AIDS; (4) infertility services; (5) health education; (6) pregnancy testing; (7) contraceptive services; (8) pelvic examinations; and (9) referrals for other health and social services.

- Permit a public entity that receives funds to provide some or all of the funds to other public or private entities, as long as the recipient of the funds does not provide abortion services or have an affiliate that provides abortion services. However, specify that providing abortion services or having an affiliate that provides abortion services under certain specified circumstances, such as to save the life of a woman, or in a case of sexual assault or incest, does not disqualify an entity from receiving these funds.

- Specify that a person's acceptance or refusal to receive family planning services does not affect the person's right to receive public assistance or services, that these provisions do not abridge the right of the individual to make decisions concerning family planning, and that a person is not required to state his or her reason for refusing any offer of family planning services.

- Specify that any employee of the agencies engaged in the administration of these provisions may refuse to accept the duty of offering family planning services to the extent that the duty is contrary to his or her personal beliefs, that such a refusal may not be grounds for dismissal, suspension, demotion, or any other discrimination in employment, and that the directors or supervisors of the agencies must reassign the duties of employees in order to carry out the provisions of the program.

- Require DHS to promulgate rules necessary to implement and administer the program.

Women's Health Block Grant. Modify the definition of "family planning" and "family planning services" under the women's health block grant program to include the provision of nondirective information explaining pregnancy termination. In addition, repeal a provision that prohibits a public grantee from providing some or all of the grant funds to another public or private entity if the other public or private entity: (a) provides abortion services; (b) makes referrals for abortion services; or (c) has an affiliate that provides abortion services or makes referrals for abortion services.

Under current law, DHS allocates GPR and a portion of the funding the state receives under the federal maternal and child health block grant (Title V of the Public Health Act) to support the state's women's health block grant program, which is intended to develop and maintain an integrated system of community health services and maximize coordination of family planning services. Current law excludes from the definition of “family planning” performance, promotion, encouragement, or counseling in favor of, or referral either directly or through an intermediary for, voluntary termination of pregnancy, but includes in the definition of “family planning” the provision of nondirective information explaining prenatal care and delivery or infant care, foster care, or adoption. DHS may distribute women's health funds only to public entities. Under current law, those public entities may provide some or all of the funds to other public entities or private entities as long as the recipients of the funds do not provide abortion services, make referrals for abortion services, or have an affiliate that provides abortion services or makes referrals for abortion services.

Joint Finance: Delete provision.

15. PRESCRIPTION DRUG IMPORTATION PROGRAM

Governor: Require DHS, in consultation with persons interested in the sale and pricing of prescription drugs and federal officials and agencies, to design and implement a prescription drug importation program.

Program Requirements. Specify that the program must satisfy all the following: (a) DHS must designate a state agency to become a licensed wholesale distributor or to contract with a licensed wholesale distributor and shall seek federal certification and approval to import prescription drugs; (b) the program must comply with all relevant requirements under federal law; (c) the program must import drugs from Canadian supplier's regulated under any appropriate Canadian or provincial laws; (d) the program must have a process to sample the purity, chemical composition, and potency of imported prescription drugs; (e) the program must import only prescription drugs for which importation creates substantial savings, are not brand-name, and have fewer than four competitor prescription drugs in the United States; and (f) DHS must ensure that prescription drugs imported under the program are not distributed, dispensed, or sold outside Wisconsin.

Specify that the program must ensure all of the following: (1) participation by any pharmacy or health care provider in the program is voluntary; (2) any pharmacy or health care provider participating in the program has the appropriate license or other credential in this state; and (3) any pharmacy or health care provider participating in the program charges a consumer or health plan

the actual acquisition cost of the imported prescription drug that is dispensed.

Specify that the program must ensure that a payment by a health plan or health insurance policy for a prescription drug imported under the program reimburses no more than the actual acquisition cost of the imported prescription drug that is dispensed.

Requirements Relating to Health Plans and Health Insurance Policies. Specify that the program must ensure that any health plan or health insurance policy participating in the program does all of the following: (a) maintains a formulary and claims payment system with current information on prescription drugs imported under the program; (b) bases cost-sharing amounts for participants or insureds under the plan or policy on no more than the actual acquisition cost of the prescription drug imported under the program that is dispensed to the participant or insured; (c) demonstrates to DHS or a state agency designated by DHS how premiums under the policy or plan are affected by savings on prescription drugs imported under the program.

Additional Restrictions Relating to Importation. Specify that the program must ensure that: (1) any wholesale distributor importing prescription drugs under the program must limit its profit margin to the amount established by DHS or a state agency designated by DHS; (2) the program may not import any generic prescription drug that would violate federal patent laws on branded products in the United States; (3) the program complies, to the extent practical and feasible with tracking and tracing requirements specified in federal regulations.

Program Finance. Specify that the program must establish a fee or other approach to finance the program that does not jeopardize significant savings to residents of the state;

Audit Function. Provide that the program must have an audit function that ensures all of the following: (a) DHS has a sound methodology to determine the most cost-effective prescription drugs to include in the importation program; (b) DHS has a process in place to select Canadian suppliers that are high quality, high performing, and in full compliance with Canadian laws; (c) prescription drugs imported under the program are pure, unadulterated, potent, and safe; (d) the program is complying with the requirements in the bill; (e) the program is adequately financed to support administrative functions of the program while generating cost savings to residents of the state; (f) the program does not put residents of the state at a higher risk than if the program did not exist; and (g) the program is projected to continue to provide substantial cost savings to residents of the state.

Anti-Competitive Behavior. Require DHS, in consultation with the Attorney General, to identify the potential for, and monitor anticompetitive behavior in industries affected by the program.

Program Approval. Require DHS to submit a report on the design of the program to the Joint Committee on Finance for approval no later than the first day of the seventh month beginning after the effective date of the bill. Within fourteen days of approval by the Committee, require DHS to submit the plan to the U.S. Department of Health and Human Services (DHHS) for certification. Provide that DHS may not submit the program to DHHS for certification unless it is first approved by the Committee.

Program Implementation. Upon certification of the program by DHHS, require DHS to begin implementing the program so that the program is fully operational within 180 days of certification.

Require DHS to do all of the following to implement the program: (a) become a licensed wholesale distributor, designate another state agency to become a licensed wholesale distributor, or contract with a licensed wholesale distributor; (b) contract with one or more Canadian suppliers; (c) create an outreach and marketing plan to communicate with and provide information to health plans and health insurance policies, employers, pharmacies, health care providers, and residents of the state on participating in the program; (d) develop and implement a registration process for health plans and health insurance policies, pharmacies, and health care providers interested in participating in the program; (e) create a publicly accessible source for listing prices of prescription drugs imported under the program; (f) create, publicize, and implement a method of communication to promptly answer questions from, and address the needs of, persons affected by the implementation of the program before the program is fully operational; (g) establish the audit functions described above with a timeline to complete each audit function every two years; (h) conduct any other activities determined by DHS to be important to successful implementation of the program.

Report. By January 1 and July 1 of each year, require DHS to submit to the Joint Committee on Finance a report including all of the following: (a) a list of prescription drugs included in the program; (b) the number of pharmacies, health care providers, and health plans and health insurance policies participating in the program; (c) the estimated amount of savings to residents of the state, health plans and health insurance policies, and employers resulting from the implementation of the program reported from the date of the previous report and from the date the program was fully operational; and (d) findings of any audit functions completed since the date of the previous report. Require DHS to submit the first report by the next January 1 or July 1, whichever is earliest, that is at least 180 days after the date of the prescription drug importation program is operational. Require DHS to include in the first three reports it submits information on the implementation of the audit functions specified in the bill.

Joint Finance: Delete provision.

16. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

Governor/Joint Finance: Modify statutory provisions relating to the special supplemental nutrition program for women, infants, and children (WIC), in order to make state statutory language consistent with federal language, and to remove language rendered obsolete by the implementation of electronic benefit transfer for WIC in 2015. Specifically, modify statutory provisions in the following manner:

(a) Allow DHS to identify an alternate participant, who is someone authorized by a WIC program participant to request benefits and otherwise participate in the WIC program, as the WIC program cardholder for purposes of electronic administration.

(b) Add to the criteria to be an authorized vendor or authorized distribution center that the vendor or distribution center has an electronic benefit transfer-capable cash register system or payment device that meets the criteria specified in the bill.

(c) Specify that, except for certain mobile stores specially authorized in accordance with federal law, each store is a separate vendor, must have a single, fixed location, and must be separately authorized under the WIC program.

(d) Add to the activities prohibited under the WIC program engaging in trafficking. Trafficking in WIC benefits is defined in the bill as engaging in any of the following: buying, selling, stealing, or otherwise exchanging, including exchanging firearms, ammunition, explosives, or controlled substances, a payment method of obtaining WIC-approved foods for cash or consideration other than WIC approved foods; intentionally purchasing and reselling for cash or consideration a product that is obtained using a method of obtaining WIC-approved foods; or intentionally purchasing with cash or consideration a product that was originally purchased with a method of obtaining WIC-approved foods. A person who performs any of the prohibited practices under the bill or under current law is subject to a felony with a penalty of a fine not to exceed $10,000 or imprisonment not to exceed three years and six months, or both for the first offense and for a second or subsequent offense a felony with a penalty of a fine not to exceed $10,000 or imprisonment not to exceed six years, or both.

(e) Incorporate infant formula suppliers into the types of entities for which DHS must promulgate rules regarding standards for authorization.

(f) Add civil monetary penalties, warning letters, and implementations of corrective action plans to the list of consequences for violating a rule promulgated by DHS relating to the WIC program.

(g) Specify that information about an applicant for, participant in, or vendor in the WIC program is confidential and then specifies who may access that confidential information and for what purposes.

The WIC program provides supplemental foods, nutrition education, and other services to low-income women, infants, and children that meet eligibility criteria under federal law. DHS administers portions of the WIC program including authorization of vendors and distribution centers to accept the method of payment that participants in the WIC program use to obtain foods approved under the program.

17. GRANTS TO FREE AND CHARITABLE CLINICS

GPR	$1,000,000

Joint Finance: Provide $500,000 annually, beginning in 2019-20, to provide grants to free and charitable clinics. Funding for this purpose would be budgeted in a Division of Public Health appropriation, for which base funding is $5,490,000. Under current law, DHS is directed to use this appropriation to: (a) provide state supplements to community health centers that receive federal grants as federally qualified health centers; (b) provide to a community health center in the City of Milwaukee ($50,000 annually); and (c) provide to HealthNet of Janesville, Inc. ($50,000

annually). This item would not modify the statutory provisions relating to the grants funded from this appropriation.

18. QUALIFIED TREATMENT TRAINEE PROGRAM GRANTS

GPR	$1,000,000

Joint Finance: Provide $500,000 annually in a new appropriation in the Division of Public Health for qualified treatment trainee program grants.

For purposes of these grants, define "qualified treatment trainee" to mean an individual who has a graduate degree from an accredited institution and course work in psychology, counseling, marriage and family therapy, social work, nursing, or a closely related field who has not yet completed the applicable supervised practice requirements for licensure as a clinical social worker, certification as a social worker, licensure as a professional counselor, licensure or certification as a marriage and family therapist, or licensure as a psychologist.

Require DHS to distribute a total of $500,000 in grant moneys each fiscal year to hospitals, federally qualified health centers, or affiliates of a hospital or health care system that establish and maintain a child, adolescent, and family qualified treatment trainee program that provides qualified treatment trainees an opportunity to complete clinically supervised practice requirements in order to be licensed professional counselors or licensed clinical social workers, as well as specialized training in providing mental and behavioral health services to children, youth, and families.

Require that, in order to be eligible for a grant under this section, a hospital, federally qualified health center, or affiliate of a hospital or health care system must match the grant amount.

Require that grant recipients under this provision use the moneys awarded under this program for clinical supervision, training, and resources, including salaries, benefits, and other related costs for trainees and clinical supervisors

19. LIFE-SPAN RESPITE CARE PROJECTS

GPR	$250,000

Joint Finance: Provide $125,000 annually to increase, from $225,000 to $350,000, funding budgeted for DHS to provide as a grant to an organization for the administration of life-span respite care projects. Currently, DHS contracts with the Respite Care Association of Wisconsin, which offers training programs to individuals interested in providing in-home respite care, operates an online respite care registry to match families in need of respite care with in-home and facility-based care services, outreach and education for families and providers, and administers grants to family caregivers to provide respite care services not funded by the state's long-term care programs.

20. VACCINATION OUTREACH AND EDUCATION

GPR	$100,000

Joint Finance: Provide $100,000 in 2019-20 for DHS to conduct a statewide, science-based

public outreach and educational campaign related to vaccinations.

21. NITRATE TESTING FOR PRIVATE WELLS

Joint Finance: Create a continuing appropriation for the Division of Public Health for DHS to award grants of up to $2,500 to eligible private well owners, which grantees must use to cover remediation costs with a primary purpose of providing potable water for human consumption to either a residential or nonprofit business property if the owner has a well that has nitrate levels exceeding ten parts per million. Eligible costs include well testing, installation of an appropriate filtration system, repair or replacement of the well, or replacement of the water supply.

Provide $3,000,000 GPR in 2019-20 the Joint Committee on Finance program supplements appropriation, and enable the Department to submit a request under s. 13.10 of the statutes to seek the release of this funding for transfer to the new appropriation. (The fiscal effect of this item is summarized under "Program Supplements.")

Require DHS to distribute up to a total of $500,000 to counties that apply to participate in the pilot testing program to provide reimbursement for the actual costs of administering the testing and reporting requirements. Authorize a county to contract with other counties, with well drillers or pump installers licensed through the Department of Natural Resource, or with plumbers licensed by the Department of Safety and Professional Services, to provide these testing services. Authorize counties to use moneys received from DHS for the pilot to ensure reimbursement for the county's cost or those incurred by other entities with which the county has a contract.

Permit private well owners to make a request to a local health department to have the nitrate levels tested in their wells. If the well owner's county has chosen to participate in the pilot program, the local health department must provide a list of public or private entities that are available to complete the testing. The private well owner may contact any of the available entities on the list provided by the local health department. An available public or private entity that agrees to do the testing for the private well owner must collect the necessary samples and do the following: (a) submit the samples for testing to the State Laboratory of Hygiene or another state certified laboratory; (b) report the test results to DHS and the private well owner, together with a recommendation for one or more of the remediation approaches set forth in the bill, if appropriate, and, if the testing indicates nitrate levels exceeding ten parts per million, a statement of the fees charged for the testing, and a recommendation that the well owner receive reimbursement for those costs; and (c) notify the private well owner that the owner may contact DHS within 30 days to request a grant for a different approach than was recommended by the entity that completed the testing.

Specify that a private well owner is eligible to apply for a grant if the report provided to DHS indicates that nitrate levels in the owner's well water exceed ten parts per million. Specify that a private well owner may only receive one grant per parcel. Further, specify that DHS may not set an income limitation for an applicant to be eligible for a grant.

Require that, in considering grant applications under the pilot, DHS must give preference to applicants who have a household member who is: pregnant, breast-feeding, under the age of three years, or over the age of 65 years. Require that DHS must, after subtracting the $500,000 available

for distribution to counties, reserve one-third of the remaining moneys for grants to applicants given preference.

In a nonstatutory provision, specify that no later than September 1, 2020, DHS submit a report on the pilot grant program to the Legislature. In the report, DHS must include information on the status of the program and provide recommendations regarding continuation of the program, proposed changes to the program, if any, and a recommendation regarding funding.

Authorize DHS to promulgate emergency rules under state statute to implement the pilot program. Emergency rules promulgated under this provision would remain in effect until January 1, 2021, or the date on which permanent rules take effect, whichever is sooner.

Care and Treatment Services

1. WINNEBAGO MENTAL HEALTH INSTITUTE OPERATIONS [LFB Paper 405]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$12,334,000	51.00	- $1,076,900	0.00	$11,257,100	51.00

Governor: Provide $6,242,000 in 2019-20 and $6,092,000 in 2020-21 and 51.0 positions, beginning in 2019-20, to create a separate admissions unit and to increase evening and nighttime supervisory staff at the Winnebago Mental Health Institute (WMHI), which is located in Oshkosh. WMHI is the state's primary facility for the treatment of individuals subject to an emergency detention related to a mental health crisis, and for the ongoing treatment of persons who are subject to court-ordered involuntary civil commitment. WMHI, which has units for both youth and adults, also serves female forensic patients.

Admissions Medical Education Unit. Provide $5,011,300 in 2019-20 and $4,891,300 in 2020-21 and 39.0 positions, beginning in 2019-20, to establish a separate, 24-bed unit used for initial intake, triage, and treatment of patients upon first arrival at the facility. After an initial assessment and treatment period, the patient would be transferred to the treatment unit that is most appropriate for his or her needs. The admissions unit would be established in existing space in Sherman Hall, which is currently unused. Currently, new patients are typically placed immediately in any available open bed in one of WMHI's eight units, which may or may not be in a unit matching the patient's treatment needs.

The additional positions would consist of 24.0 psychiatric care technicians, 12.0 nurse clinicians, 2.0 nursing supervisors, and 1.0 office associate. In addition, bill would provide funding for 9.0 limited-term employee psychiatric care technicians and 10.0 contracted medical staff (2.0

psychiatrists, 4.0 medical assistants, and 4.0 physician assistants). The administration proposes to operate the admissions unit as a training facility for psychiatric residents from the Medical College of Wisconsin.

The following table summarizes the position and funding in the bill for each of these components.

Positions and Funding for Admissions Medical Education Unit

		Proposed Funding	
	Positions	2019-20	2020-21
Permanent FTE Positions			
Psychiatric Are Technicians	24.0	$1,314,500	$1,314,500
Nurse Clinicians	12.0	1,167,900	1,167,900
Nursing Supervisors	2.0	260,200	260,200
Office Associate	1.0	42,900	42,900
Subtotal	39.0	$2,785,500	$2,785,500
LTE Positions			
Psychiatric Care Technicians	9.0	$189,000	$189,000
Contract Staff			
Psychiatrists	2.0	$595,200	$595,200
Physician Assistants	4.0	559,200	559,200
Medical Assistants	4.0	178,800	178,800
Subtotal	10.0	$1,333,200	$1,333,200
Supplies and Services		$703,600	$583,600
Totals	58.0	$5,011,300	$4,891,300

Evening and Nighttime Supervisory Staff. Provide $1,230,700 in 2019-209 and $1,200,700 in 2020-21 and 12.0 positions, beginning in 2019-20, for psychiatric care supervisors for evening and nighttime shifts. Of the funding provided by the bill, $1,069,900 annually would be budgeted for salary and fringe benefits, while $160,800 in 2019-20 and $130,800 in 2020-21 would be budgeted for supplies and services.

Currently, the work of psychiatric care technicians for these shifts is supervised by nursing supervisors. With the addition of psychiatric care supervisor positions, nursing supervisors would concentrate on medical care and the supervision of nurse clinicians. Currently, WMHI is authorized 234.6 psychiatric care technicians positions and 72.1 nurse clinician positions, which are supervised by 15.0 nursing supervisors.

Joint Finance: Reduce funding by $1,076,900 in 2019-20 to provide nine months of funding for state and contract positions in that year rather than a full year of funding.

2. FORENSIC UNIT EXPANSION AT SAND RIDGE SECURE TREATMENT CENTER [LFB Paper 406]

	Funding	Positions
GPR	$3,430,900	36.50

Governor/Joint Finance: Provide $3,430,900 in 2020-21 and 36.5 project positions, beginning in 2020-21, to operate a 20-bed unit for forensic patients at the Sand Ridge Secure Treatment Center (SRSTC). Of the funding provided, $2,445,000 would be budgeted for salary and fringe benefits, $489,100 would be for supplies and services associated with the positions, and $496,800 would be for food and variable non-food costs, such as medication and medical services, laundry, clothing, and linens.

Forensic patients are persons who have been committed to the Department for treatment or evaluation as part of a criminal proceeding, either to be evaluated for competency to stand trial, to receive treatment to restore competency, or after being found not guilty by reason of mental disease. Male forensic patients who require secure treatment are admitted to the Mendota Mental Health Institute, which has a staffed capacity of 273 beds. The 2017-19 biennial budget (2017 Act 59) provided funding and positions for a 34-bed expansion in forensic capacity. Of this number, 20 beds are housed at SRSTC in Mauston. These beds will be moved to Mendota in 2020-21 following completion of a renovation project at Lorenz Hall, which involves the conversion of vacant units that had previously been used for civil patients, to forensic units. The positions and funding provided by Act 59, now used to operate the SRSTC forensic unit, will be used for the Lorenz Hall units. This item would provide additional staffing and funding to continue operating a forensic unit at SRSTC (an expansion of total forensic bed capacity) to help address a waiting list for forensic admissions. In January, 2019, 74 forensic patients were on this waiting list.

3. MENDOTA JUVENILE TREATMENT CENTER EXPANSION -- 2017 ACT 185 [LFB Paper 255]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	0.00	$608,600	0.00	$608,600	0.00
PR	3,159,500	50.50	- 514,500	- 8.00	2,645,000	42.50
Total	$3,159,500	50.50	$94,100	- 8.00	$3,253,600	42.50

Governor: Provide $3,159,500 and 50.5 positions, beginning in 2020-21, to expand the staffed capacity of the Mendota Juvenile Treatment Center (MJTC) by 14 beds, from 29 beds currently to 43 beds. The funding increase includes $2,465,500 for salary and fringe benefits, $539,100 for supplies and services associated with the staff positions, and $154,900 for food and variable non-food costs (such as medication and medical services, laundry, and linens) associated with the additional youths that would receive services. MJTC is funded from GPR and program revenues transferred from the Department of Corrections.

The following table lists the proposed staff positions, by general functional category.

Position Type	Positions
Psychiatric Care Technicians	31.0
Nursing	6.0
Programming	5.0
Mental Health and Medical Services	4.5
Supervision and Administration	4.0
Total	50.5

MJTC, which is on the campus of the Mendota Mental Health Institute (MMHI) in Madison, is a juvenile correctional facility that provides psychiatric evaluation and treatment for male juveniles transferred from the juvenile correctional system whose behavior is highly disruptive and who have not responded to standard services and treatment at the Department of Corrections' (DOC) secure correctional facility at Lincoln Hills. MJTC treatment and programming includes therapy for anger management, treatment to address substance abuse, sexual offense, or mental illness, and academic support. Treatment is designed to improve behavior and manage any mental health conditions to permit a transfer back to Lincoln Hills.

Statutory Changes. Modify provisions enacted as part of 2017 Act 185 that authorize courts to place a juvenile at MJTC upon recommendation of DHS, to instead authorize a court to transfer a juvenile to MJTC with the approval of DHS. Specify that only the Director of MJTC or his or her designee is authorized to make decisions regarding the admission of juveniles to, and treatment of, juveniles at MJTC and the release and return of juveniles to the appropriate state or county facility. Prohibit a court from ordering DHS to accept a juvenile placement at MJTC that the Department has not approved. Modify a provision that authorizes the Department of Corrections to object to the transfer of a juvenile from a secured residential care center for children and youth to a Type 1 juvenile correctional facility, to specify that this authority does not apply to transfers to MJTC. Specify that these provisions first apply to a juvenile adjudicated delinquent by a court and placed at a county secured residential care center for children and youth on the general effective date of the bill.

Modify the program revenue appropriation for the institutional operations of the mental health institutes to incorporate the operations of MJTC in the expenditure authority and the collection of payments from counties for the care of juveniles at MJTC in the appropriation's revenue sources. Require counties to reimburse DHS at a rate specified by the Department for the cost of care of juveniles placed at MJTC. Specify that any juvenile under supervision of a county in a secured treatment center who is transferred to MJTC remains under the supervision of that county.

Repeal a provision created in Act 185 that requires approval of the Joint Committee on Finance to the Department's MJTC expansion. With this change, the Legislature's action on this item would serve as the approval of the proposed MJTC expansion, although the Building Commission would have final approval of the issuance of bonds for construction.

Background. This item is the administration's response to a requirement included in Act 185 that made numerous changes to the state's juvenile correctional system. With respect to MJTC, Act 185 requires DHS to expand the facility by no fewer than 29 beds, subject to the approval of the Joint Committee on Finance. Act 185 provided $15.0 million in general fund supported

bonding for the construction of the expansion. Act 185 did not establish a timeline for the expansion.

Act 185 also requires the Department to include a proposal in its 2019-21 budget request for funding and positions to operate the expanded facility. The Department included a proposal to expand MJTC by 64 beds, to 93 total beds, on a phased schedule beginning in September, 2019, and ending in June 2021. The funding provided in the bill is based on the assumption that this implementation schedule would be delayed by one year. The administration indicates that it would intend to proceed with a further expansion to 93 beds after the 2019-21 biennium. With full expansion, MJTC would serve both male and female juveniles.

Under the Department's proposal, the initial 14-bed expansion would use space in the same building as the MJTC, which is currently used for adult forensic patients admitted to MMHI. These patients will eventually be moved to other units at MMHI that are now undergoing renovation, which will permit DHS to expand MJTC into the 14-bed unit. Any additional expansion would require the construction a new facility.

Joint Finance: Reduce position authority by 8.0 PR positions, and associated funding of $514,500 PR in 2020-21, resulting in a net increase of 42.5 positions. With this change, the Committee approved positions to staff the 14-bed MJTC expansion, but did not approve 8.0 program staff positions associated with any future expansion of the facility.

Provide $608,600 GPR in 2020-21 in the budget for the Mendota Mental Health Institute for the food, variable nonfood, and other supplies and services costs associated with the 14-bed expansion.

Delete statutory changes related to DHS approval of the placement of juveniles at MJTC and the repeal of the requirement that Joint Committee on Finance approve of the Department's MJTC expansion.

4. OVERTIME [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,756,800	- $7,756,800	$0
PR	9,670,000	0	9,670,000
Total	$17,426,800	- $7,756,800	$9,670,000

Governor: Provide $8,713,400 ($3,878,400 GPR and $4,835,000 PR) annually to fully fund anticipated overtime costs at the Department's care and treatment residential facilities. The funding under this item is generally based on the difference between actual overtime costs that the facilities incurred in 2017-18 and the amount that would be provided under the overtime standard budget adjustment. The calculation for the PR-funded overtime at the Winnebago Mental Health Institute has been adjusted to account for a separate item that would provide additional positions at that facility, which, if approved, would be expected to reduce overtime costs.

The following table shows, by facility and fund source, the annual overtime increase provided under the standard budget adjustment, the funding increase provided under this item, and the total funding that would be provided annually to support overtime costs under the bill.

Annual Overtime Funding for DHS Care and Treatment Facilities, by Source
Governor's Bill

	Standard Budget Adjustments			Overtime Funding Under This Item			Total Annual Overtime Budget		
Facility	GPR	PR	Total	GPR	PR	Total	GPR	PR	Total
Mendota MHI	$1,620,700	$252,300	$1,873,000	$1,908,600	$297,200	$2,205,800	$3,529,300	$549,500	$4,078,800
Winnebago MHI	503,300	839,300	1,342,600	1,046,400	818,700	1,865,100	1,549,700	1,658,000	3,207,700
WI Resource Center	1,038,800	0	1,038,800	131,500	0	131,500	1,170,300	0	1,170,300
Sand Ridge STC	323,300	0	323,300	791,900	0	791,900	1,115,200	0	1,115,200
Central WI Center	0	1,223,000	1,223,000	0	1,401,200	1,401,200	0	2,624,200	2,624,200
Southern WI Center	0	0	0	0	2,160,100	2,160,100	0	2,160,100	2,160,100
Northern WI Center	0	245,100	245,100	0	157,800	157,800	0	402,900	402,900
Total	**$3,486,100**	**$2,559,700**	**$6,045,800**	**$3,878,400**	**$4,835,000**	**$8,713,400**	**$7,364,500**	**$7,394,700**	**$14,759,200**

Joint Finance: Transfer $3,878,400 GPR annually to the Committee's program supplements appropriation, which would enable the Department to submit a request under s. 13.10 of the statutes for an appropriation supplement based on overtime costs, up to a maximum of $3,878,400 annually.

5. FOOD AND NONFOOD SUPPLIES AND SERVICES AT CARE AND TREATMENT FACILITIES

GPR	- $1,588,100
PR	9,361,200
Total	$7,773,100

Governor/Joint Finance: Provide funding adjustments for food and variable nonfood costs at the Department's care and treatment facilities as follows.

Food. Provide $383,500 ($271,800 GPR and $111,700 PR) in 2019-20 and $483,700 ($337,400 GPR and $146,300 PR) in 2020-21 to fund projected increases in food costs at the Department's care and treatment facilities. These estimates are based on the assumption that average food costs will increase by 2.5% annually. The Department's base budget for food at its facilities is $4,047,900 ($2,637,000 GPR and $1,410,900 PR).

Variable Nonfood Supplies and Services. Provide $2,316,800 (-$1,784,600 GPR and $4,101,400 PR) in 2019-20 and $4,589,100 (-$412,700 GPR and $5,001,800 PR) in 2020-21 to fund projected increases in nonfood supplies and services costs that vary with resident populations. These costs include medical services, medical supplies, prescription drugs, and clothing. The estimates are based on facility-specific inflationary cost projections, which reflect differences in medical supplies, services, and medications used by residents and patients at these facilities. The Department's base budget for variable nonfood supplies and services is $34,421,800 ($24,118,500 GPR and $10,303,300 PR).

The following table summarizes the administration's estimates of the average number of

residents at each facility in the 2019-21 biennium, which, in addition to the inflation assumptions, are the basis of these cost projections. The table excludes estimates of the additional juveniles that would receive residential treatment services at the Mendota Juvenile Treatment Center (14 in 2020-21), for which funding for food and variable nonfood supplies and services would be provided under a separate item.

Average Monthly Resident Projections -- DHS Care and Treatment Facilities

Facility	Actual 2017-18	Estimates 2018-19	2019-20	2020-21
Mendota Mental Health Institute	309	317	347	347
Winnebago Mental Health Institute	171	210	185	185
Wisconsin Resource Center	376	385	385	385
Sand Ridge Secure Treatment Center	329	372	329	329
Central Wisconsin Center	221	225	204	204
Southern Wisconsin Center	133	141	133	133
Northern Wisconsin Center	17	13	14	14
Total	1,556	1,663	1,597	1,597

6. WISCONSIN RESOURCE CENTER EXPANSION [LFB Paper 408]

	Funding	Positions
GPR	$6,495,900	34.80

Governor: Provide $3,246,100 in 2019-20 and $3,249,800 in 2020-21 and 34.8 positions, beginning in 2019-20, to expand capacity at the Wisconsin Resource Center by 58 beds. The Wisconsin Resource Center (WRC) is a correctional facility that provides mental health and substance abuse treatment to inmates under supervision of the Department of Corrections. WRC has a staffed capacity to serve 336 male inmates. A separate facility, the Women's Wisconsin Resource Center (WWRC), has a staffed capacity for 49 inmates. Both facilities are located on the grounds of the Winnebago Mental Health Institute near Oshkosh. DHS provides treatment services and supervisory functions in WRC and WWRC, while DOC provides perimeter security. DOC transfers inmates to these facilities when, in consultation with DHS, it is determined that their treatment needs can be better met through the more intensive treatment programming offered by DHS.

Beginning in June 2018, DHS began admitting additional inmates to WRC using vacant space, primarily as a means to meet an increased need for substance abuse treatment services to minimum- and medium-security inmates. The Department used training position authority to staff the additional space, funded through charges to DOC. This budget item would fully staff and fund a 58-bed expansion on a permanent basis.

The funding provided by the bill consists of the following components: (a) $2,030,300 annually for salary and fringe benefits; (b) $379,300 for supplies and services related to the positions; (c) $786,000 in 2019-20 and $789,700 in 2020-21 for food and variable nonfood supplies (such as medical services and clothing); and (d) $50,500 annually for DOC overtime

costs. The 34.8 positions include 23.0 psychiatric care technicians, 8.8 medical and treatment positions, and 3.0 supervisory staff.

Joint Finance: Reduce the Department of Corrections' budget for contract beds by $1,089,400 GPR annually to reflect a reduction in the need for contract beds due to the WRC expansion. The fiscal effect of this decision is reflected in the Department of Corrections.

7. FUEL AND UTILITIES [LFB Paper 409]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,218,500	- $474,400	$2,744,100

Governor: Provide $1,546,600 in 2019-20 and $1,671,900 in 2020-21 to reflect an estimate of GPR-funded fuel and utilities costs at the Division of Care and Treatment Services residential facilities. With these adjustments, total GPR-funded fuel and utility funding would be $6,130,500 in 2019-20 and $6,255,800 in 2020-21. The bill would not modify funding for fuel and utility costs supported by the Division's program revenue general program operations budget.

Joint Finance: Reduce funding by $237,200 annually to reflect a correction to the fuel and utilities estimate.

8. DEBT SERVICE

GPR	$2,600,100

Governor/Joint Finance: Increase funding by $1,759,200 in 2019-20 and by $840,900 in 2020-21 to reflect estimates of debt service payments on bonds issued for capital projects at DHS care and treatment facilities. Base debt service funding is $18,008,400.

9. MENTAL HEALTH INSTITUTE FUNDING SPLIT

	Funding	Positions
GPR	$4,353,000	24.22
PR	- 4,353,000	- 24.22
Total	$0	0.00

Governor/Joint Finance: Provide $2,176,500 GPR annually and a corresponding decrease in PR funding, and convert 24.22 current PR positions to 24.22 GPR positions, beginning in 2019-20, to reflect the administration's estimates of the percentage of patients whose care will be funded with GPR and PR at the mental health institutes (MHIs) in the 2019-21 biennium.

The share of each MHI's costs funded by GPR and PR is based on the composition of patient population. The state is responsible for the cost of caring for forensic patients, which it has generally funded with GPR. The cost of caring for civilly-committed patients is funded from program revenues paid by counties and third-party payers. The budget bill typically adjusts the position and funding splits to match anticipated changes in the relative share of forensic and civil patients. For the 2019-21 biennium, this funding adjustment is affected by a decision, made in the 2017-19 budget, to fund one-half of the cost of new forensic units at Mendota with PR instead of GPR in 2018-19. Applying the institute funding split methodology for the 2019-21 biennium has

the effect of shifting PR-funded forensic costs in the appropriation base to GPR funding and positions.

10. YOUTH CRISIS STABILIZATION FACILITY [LFB Paper 410]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$1,992,800	$1,992,800	$3,985,600

Governor: Provide $996,400 annually for youth crisis stabilization facility grants in the Department's "center" appropriation.

2017 Act 59 established a regulatory structure for a youth crisis stabilization facility, with the intent of creating a service for youth experiencing a behavioral health crisis that would be a community-based alternative to inpatient hospitalization at the Winnebago Mental Health Institute or a private hospital. As passed by the Legislature, the budget bill would have provided funding on a one-time basis from program revenues received by the mental health institutes (MHIs) for supporting the operation of one or more youth crisis stabilization facilities in the 2017-19 biennium. This funding would have been placed in the Joint Committee on Finance's program supplements appropriation, pending approval by the Committee. The Governor vetoed the funding in the program supplements, but indicated in the veto message that DHS would make a grant from amounts budgeted for the mental health institutes. As of March 1, 2019, the Department had not finalized standards for such facilities and had not made a grant. Act 59 required DHS to include in its 2019-21 budget request a proposal to fund the grants on an ongoing basis from a GPR appropriation. DHS included such a proposal in its budget request. This item would, instead, provide a continuation of funding for grants using program revenue, at the annualized level anticipated in Act 59.

The Department's "center" appropriation was created as the result of a partial veto of provisions contained in the 2017-19 budget bill, including the youth crisis stabilization grant program. The appropriation receives transfers from the PR appropriation for the MHIs and can be used "to make payments to an organization that establishes a center that provides services." Although the bill reflects the funding in the appropriation for the youth crisis stabilization grants, the bill would not provide additional expenditure authority in the PR appropriation for the MHIs to make the funding transfer. Consequently, any funding for making a grant to a youth crisis stabilization facility would have to be transferred to the appropriation from amounts budgeted for the institutional operations of the MHIs.

Joint Finance: Provide $996,400 annually in the Department's institutional operations appropriation to provide budget authority for making transfers to the center appropriation.

11. PEER-RUN RESPITE CENTER FOR VETERANS [LFB Paper 410]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$900,000	$900,000	$1,800,000

Governor: Provide $450,000 annually in the Department's "center" appropriation to fund a grant to a peer-run respite center for veterans. [The titling of this PR appropriation was the result of a partial veto of 2017 Act 59.]

Act 59 provided $450,000 in one-time funding, supported by program revenue DHS receives from operating the mental health institutes (MHIs), to fund a grant to a peer-run respite center for veterans in the current biennium. The act required DHS to include in its 2019-21 budget request a proposal to establish ongoing funding using GPR for the grant. The Department included that proposal in its 2019-21 budget request.

This item would continue funding the grant on an ongoing basis, using a program revenue transfer from amounts budgeted for the state's MHIs. However, the bill would not increase budget authority in the MHIs appropriation for making a transfer to the center appropriation.

Joint Finance: Provide $450,000 annually in the Department's institutional operations appropriation to provide budget authority for making transfers to the center appropriation.

12. CONTRACTED MENTAL HEALTH SERVICES

GPR	$4,561,300

Governor/Joint Finance: Provide $1,347,300 in 2019-20 and $3,214,000 in 2020-21 to fund projected increases in the costs of the Division of Care and Treatment Services (DCTS) contracts for community-based mental health services. These contracts are generally related to the Division's forensic and sexually violent persons treatment programs. The following table shows the base funding for each type of contract, the proposed increase, and the resulting total funding. Below the table is an explanation of each category, as well as an explanation of the primary factors used to generate the new cost estimates.

		Budget Increase		Total Funding	
	2018-19 Base	2019-20	2020-21	2019-20	2020-21
Supervised Release	$5,452,800	$167,800	$931,600	$5,620,600	$6,384,400
Conditional Release	5,299,800	35,300	322,100	5,335,100	5,621,900
Outpatient Competency Exams	2,346,800	228,300	418,500	2,575,100	2,765,300
Treatment to Competency	1,534,500	1,021,800	1,546,800	2,556,300	3,081,300
DOC Contracts	1,580,000	-105,900	-5,000	1,474,100	1,575,000
Total	$16,213,900	$1,347,300	$3,214,000	$17,561,200	$19,427,900

Supervised Release Services. The supervised release program provides community-based treatment to individuals who are found to be sexually violent persons (SVPs) under Chapter 980

of the statutes. SVPs are committed to DHS and provided institutional care at the Sand Ridge Secure Treatment Center in Mauston, but may petition the court for supervised release if at least 12 months have elapsed since the initial commitment order was entered, since the most recent release petition was denied, or since the most recent order for supervised release was revoked. The proposed increase for supervised release services is due primarily to an anticipated increases in the number of individuals in the supervised release program, as well as inflationary increases in the costs per client.

Conditional Release Services. The conditional release program provides treatment to individuals who have been found not guilty by reason of mental disease or defect and are either immediately placed on conditional release following the court's finding or following release from one of the state's mental health institutes. The administration anticipates that costs and caseload for this program will increase, consistent with recent trends.

Outpatient Competency Examination. Chapter 971 of the statutes prohibits courts from trying, convicting, or sentencing an individual if the individual lacks substantial mental capacity to understand the proceedings or assist in his or her own defense. Courts may order DHS to conduct competency examinations, which may be performed either on an inpatient basis by DHS staff at the state mental institutes, or on an outpatient basis in jails and locked units of other facilities by contracted staff. This item also includes the cost of court liaison services, used to provide consultation to courts regarding mental health issues for individuals in the judicial system. Costs and caseload for these contractual services are anticipated to increase, consistent with recent trends.

Treatment to Competency Services. DHS contracts with a vendor to provide outpatient treatment services to individuals who are determined to be incompetent to proceed to a criminal trial if a court determines that the individual is likely to be competent within 12 months, or within the time of the maximum sentence specified for the most serious offense with which the defendant is charged. Traditionally, these services have generally been provided on an outpatient basis for individuals who, based on an assessment of their risk level, are able to live in the community. More recently, DHS has begun contracting for treatment to competency services provided in county jails, as an alternative to admitting those individuals to one of the mental health institutes for treatment. The estimated increases in the 2019-21 biennium for treatment to competency are driven primary by an anticipated increase in the number of individuals provided treatment to competency services in county jails.

Department of Corrections Contracts. DHS contracts with the Department of Corrections for the supervision of clients in the conditional release and supervised release programs. The contract includes supervision, transportation escort, and global positioning system (GPS) monitoring.

13. OPENING AVENUES TO REENTRY SUCCESS [LFB Paper 245]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$174,500	1.00	- $174,500	- 1.00	$0	0.00

Governor: Provide $74,800 in 2019-20 and $99,700 in 2020-21 to support 1.0 position, beginning in 2019-20, to administer the opening avenues to reentry success program (OARS), as part of a statewide expansion of the program. OARS is administered jointly by DHS and the Department of Corrections (DOC) to provide support services to persons who are released from prison with identified mental health needs and who are assessed to have a moderate to high risk or reoffending.

The program is currently funded from a DOC appropriation and serves clients in 44 counties. In 2017-18, DOC spent $2.9 million on program services. The bill would provide an additional $3,926,500 GPR in 2019-20 and $3,901,600 GPR in 2020-21 in the DOC budget for the program, with the intent of offering services in all Wisconsin counties. This funding increase is summarized under Corrections.

This item would provide a position in DHS to perform the administrative functions of the program, including oversight of the contracts with the providers who render services to clients.

Joint Finance: Delete $74,800 in 2019-20 and $99,700 in 2020-21 and 1.0 position to remove the funding and position for the administration of OARS. The Committee reduced the funding provided by the Governor's bill in the Department of Corrections by $2,728,500 GPR in 2019-20 and $2,703,600 GPR in 2020-21, resulting in an increase to the program of $1,198,000 GPR annually. The fiscal effect of the change to program funding is reflected in Corrections.

14. MENDOTA JUVENILE TREATMENT CENTER -- FUNDING TRANSFER FROM DOC [LFB Paper 255]

Governor: Modify a statutory provision that identifies the amount of funding that the Department of Corrections (DOC) is required to transfer to DHS to support the costs of the Mendota Juvenile Treatment Center, to require transfers of $3,224,100 in 2019-20 and $5,878,100 in 2020-21 from the DOC PR appropriation for juvenile correctional services. In 2018-19, DOC is required to transfer $2,932,600 from this PR appropriation.

DOC is also required to transfer $1,365,500 GPR annually to support the cost of the MJTC, an amount that would not be changed by the bill. Consequently, the total amount transferred from both fund sources would increase from $4,298,100 in 2018-19 to $4,589,600 in 2019-20, and to $7,243,600 in 2020-21. The bill would increase the total transfer in 2020-21 from the prior year by 58%, which is associated with an anticipated increase in juveniles under DOC supervision who are placed at MJTC, in conjunction with the proposed expansion of the facility, which is summarized under another item.

Joint Finance: Reduce the statutory PR transfer in 2020-21 from $5,878,100 to $5,496,400, reflecting a decision to reduce the number of new positions provided for the MJTC expansion during the biennium. With this change, the total transfer from both GPR and PR would be $4,589,600 in 2019-20 and $6,861,900 in 2020-21.

FoodShare

1. FOODSHARE EMPLOYMENT AND TRAINING (FSET) PROGRAM COST-TO-CONTINUE [LFB Paper 415]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,196,000	- $9,609,500	- $4,413,500
FED	5,196,000	- 17,052,500	- 11,856,500
Total	$10,392,000	- $26,662,000	- $16,270,000

Governor: Provide $4,668,000 ($2,334,000 GPR and $2,334,000 FED) in 2019-20 and $5,724,000 ($2,862,000 GPR and $2,862,000 FED) in 2020-21 to increase funding for the FoodShare employment and training (FSET) program. The funding increase reflects: (a) anticipated increases in caseload, (b) increases to vendors to reflect actual and projected average service costs; and (c) reestimates of the amount of federal funding that will be available to support program costs. Base funding for the program is $41,071,400 ($17,625,000 GPR and $23,446,400 FED).

Enrollment. The administration assumes that enrollment in FSET will remain steady in each year of the 2019-21 biennium, with an average monthly enrollment of approximately 9,800 individuals. In 2017-18, the actual average monthly enrollment was 9,822.

Average Monthly Enrollee Cost. In federal fiscal year 2016-17, the average monthly cost of providing services to FSET enrollees was $333. The administration applied inflationary increases to this base amount (2.5% for 2018-19, 2.3% in 2019-20, and 2.1% in 2020-21) and proposes to budget the program based on average monthly costs of $349 per enrollee in 2019-20 and $356 per enrollee in 2020-21.

Reestimate Federal Funding. Most FSET program costs are funded on a 50% GPR/50% FED matching basis. However, during the past several years, Wisconsin has received federal funding allocations that have not required a state match, which DHS refers to as 100% SNAP Education and Training (E&T) funding. However, the amount of the 100% SNAP E&T funding the state receives varies from year to year, and is dependent on other states' eligibility for this funding. In the past several years Wisconsin's allocation of this funding has decreased. The administration assumes that this decrease in 100% SNAP E&T funding will continue.

Joint Finance: Reduce funding by $13,114,100 (-$4,746,300 GPR and -$8,367,800 FED)

in 2019-20 and by $13,547,900 (-$4,863,200 GPR and -$8,684,700 FED) in 2020-21. This overall reduction reflects: (a) reestimated average monthly FSET vendor costs of $306.74 per enrollee in 2019-20 and $313.18 per enrollee in 2020-21; (b) reestimated average monthly enrollment of 8,048, in each year of the 2019-21 biennium; and (c) providing $1,000,000 GPR annually to fund FSET services for childless adults enrolled in medical assistance (MA).

2. REPEAL FSET DRUG SCREENING REQUIREMENTS [LFB Paper 416]

GPR	$64,700
FED	90,200
Total	$154,900

Governor: Repeal the requirement that eligibility for an able-bodied adult without dependents (ABAWD) to participate in the FoodShare employment and training (FSET) program is subject to compliance with the statutory screening, testing, and treatment policy for illegal use of a controlled substance without a valid prescription for the controlled substance.

Repeal provisions, enacted as part of 2017 Act 370, that require DHS to implement a drug screening, testing, and treatment policy for ABAWDs participating in FSET. In addition, repeal nonstatutory provisions contained in 2017 Act 370 as they pertain to implementing the drug screening, testing, and treatment provisions by October 1, 2019, and requiring compliance with the waiver provisions contained in 2017 Act 370, as though the drug screening, testing, and treatment provisions were a waiver request approved on December 16, 2018.

Joint Finance: Delete provision, thereby retaining the drug screening, testing, and treatment provisions for FSET. Provide $66,400 ($27,800 GPR and $38,600 FED) in 2019-20 and $88,500 ($36,900 GPR and $51,600 FED) in 2020-21, to fund income maintenance costs associated with administration of the FSET drug tests and medical assistance costs associated with provision of substance abuse treatment.

3. REPEAL FOODSHARE WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITH DEPENDENTS [LFB Paper 417]

FED	$20,553,100

Governor: Modify current law relating to required participation in the FoodShare employment and training (FSET) program to specify that DHS must require, to the extent allowed by the federal government, that able-bodied adults *without dependents* (ABAWDs) participate in FSET, except for ABAWDs who are employed, as determined by DHS. Specify that DHS may require able individuals who are 18 to 60 years of age, or a subset of those individuals to the extent allowed by the federal government, who are not in a Wisconsin Works employment position, to participate in FSET.

Current law, which reflects changes enacted in 2017 Act 264, requires that by October 1, 2019, not only all ABAWDs must participate in FSET, but also all other able-bodied adults between the ages of 18 and 50, who are not pregnant and not determined by DHS to be medically certified as physically or mentally unfit for employment or exempt from the work requirement as specified in federal law. Current law prohibits DHS from requiring participation in FSET for an

individual who is: (a) enrolled at least half time in a school, a training program, or an institution of higher education; or (b) the caretaker of a child under the age of six or the caretaker of a dependent who is disabled.

Joint Finance: Delete provision, thereby retaining the FSET requirement for certain able-bodied adults. Provide $9,786,600 ($4,893,300 GPR and $4,893,300 FED) in 2019-20 and $31,319,600 ($15,659,800 GPR and $15,659,800 FED) in 2020-21.

Place the $20,553,100 GPR funding provided under this item in the Committee's program supplements appropriation and require DHS to seek the release of the funds through the statutory provisions of Wis. Stat. 13.10. Further, specify that DHS may not seek the release of this funding until April 1, 2020, and as part of the request, DHS must report on able-bodied FSET enrollment between October 1, 2019, and March 31, 2020, as part of its justification for seeking the additional funding.

4. REPEAL PAY-FOR-PERFORMANCE PAYMENT SYSTEM FOR FSET VENDORS [LFB Paper 418]

Governor: Repeal provisions enacted in 2017 Act 266 that require DHS to create and implement a payment system based on performance for FoodShare Employment and Training (FSET) program vendors. Current law requires DHS to establish performance outcomes for the payment system based on: (a) the placement of participants into unsubsidized employment; (b) whether the placement is full or part-time; (c) the job retention rate; (d) wages and benefits earned; (e) appropriate implementation of FSET; and (f) customer satisfaction. Implementation of the payment system is contingent on federal approval and must not affect the funding available for supportive services for participants in FSET. These provisions first apply to contracts DHS enters into or renews on the Act's effective date (April 12, 2018). However the Department's current contracts with the FSET vendors, effective for federal fiscal year 2018-19 (October 1, 2018 through September 30, 2019), do not include performance outcomes as the basis for payments.

Joint Finance: Delete provision.

5. REPEAL FOODSHARE CHILD SUPPORT AND PATERNITY COMPLIANCE REQUIREMENTS

Governor: Repeal provisions enacted in 2017 Act 59 that make eligibility for FoodShare benefits contingent on cooperation with establishing child support orders, avoiding delinquent support, and cooperation in establishing paternity.

Under Act 59, DHS may implement these provisions only if implementation can be done in a manner that is substantially state budget-neutral in regard to child support fees. However, DHS has indicated that, barring a change to federal law, these provision cannot be implemented in a substantially state budget-neutral manner in regard to child support fees. As such, DHS has not implemented these provisions.

Joint Finance: Delete provision.

6. FSET AND MA --ADMINISTRATION OF ELIGIBILITY REQUIREMENTS AND CONTRACT PROVISIONS [LFB Paper 419]

GPR	$1,353,200
FED	3,025,400
Total	$4,378,600

Joint Finance: Provide $1,777,400 ($547,800 GPR and $1,229,600 FED) in 2019-20 and $2,601,200 ($805,400 GPR and $1,795,800 FED) in 2020-21, for the income maintenance consortia to implement the following: the FSET drug screening, testing, and treatment requirement; the FSET for able-bodied adults requirement; the childless adult waiver provisions under MA; and the health savings accounts for MA. Under the bill, DHS would be required to reallocate existing positions and funding to implement these requirements and to provide Milwaukee Enrollment Services (MilES) services relating to these requirements.

7. INCOME MAINTENANCE FRAUD PREVENTION

GPR	$500,000
FED	500,000
Total	$1,000,000

Joint Finance: Provide $500,000 ($250,000 GPR and $250,000 FED) annually to increase funding available for income maintenance fraud prevention efforts. Under Joint Finance, $1,000,000 GPR and $1,350,000 FED would be budgeted annually for the DHS Office of the Inspector General to fund fraud prevention activities.

Behavioral Health

1. REGIONAL CRISIS STABILIZATION FACILITY GRANT PROGRAM [LFB Paper 362]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,500,000	- $2,500,000	$0

Governor: Provide $2,500,000 in 2020-21 for a new grant program to fund regional crisis stability facilities for adults. Create an annual, sum certain appropriation for the program and require DHS to establish criteria for stabilization facilities for adults and to award grants under the program. The 2017-19 budget established a grant program for youth crisis stabilization facilities, with base funding of $996,400 from program revenues collected by the state mental health institutes.

Joint Finance: Delete provision.

2. COMPREHENSIVE MENTAL HEALTH CONSULTATION PROGRAM PLANNING

GPR	$66,700

Governor/Joint Finance: Provide $66,700 in 2019-20 in a new appropriation for developing a plan for a mental health consultation program. Specify that no moneys may be encumbered from this appropriation after June 30, 2021. Require DHS to convene a statewide group of interested persons to develop a concept paper, business plan, and standards for a comprehensive mental health consultation program that incorporates general, geriatric, and addiction psychiatry, a perinatal psychiatry consultation program, and the child psychiatry consultation program.

Under current law, DHS administers grants supporting two clinical consultation programs--the child psychiatry consultation program, funded at $1,000,000 GPR annually, and the addiction medicine consultation program, funded at $500,000 GPR annually. Under both programs, the consultation service is staffed by specialists in the respective fields who answer inquiries from primary care providers regarding their patients.

3. OPIOID AND METHAMPHETAMINE TREATMENT CENTER GRANTS

Governor/Joint Finance: Repeal a provision that prohibits DHS from providing grants to programs that offer methadone treatment under the opioid and methamphetamine treatment center grant program. Modify a related provision to remove the phrase "both long-acting opioid antagonist and partial agonist" from a description of medication-assisted treatment options. With this modification, medication-assisted treatment would not be restricted to those types of treatment medications. Naltrexone (an opioid antagonist) and buprenorphine (a partial agonist) are commonly used for the treatment of opioid addiction. Methadone, also commonly used in medication-assisted treatment, is an opioid agonist.

Under this program, DHS provides grants to five centers to provide medication-assisted treatment, residential services, counseling, or abstinence-based treatment. The program is funded with an appropriation of $3,016,000 GPR annually. DHS has also used a portion of federal opioid treatment grants to support the operation of these centers.

4. CRISIS TEAM GRANTS

Governor/Joint Finance: Modify the purposes for which counties or multi-county regions may use grants DHS currently provides to establish certified mobile crisis teams in rural areas of the state by: (a) deleting references to "mobile crisis team" and replacing the term with "crisis program;" (b) permitting DHS to grant funds to enhance, as well as to establish, crisis programs; and (c) deleting references to "certified" programs. With these changes, DHS would award grants to counties or multi-county regions to establish or enhance crisis programs to serve individuals having crises in rural areas.

The program was created to help rural counties with a crisis service that did not meet criteria for medical assistance certification make the necessary upgrades to be certified. Currently, all but

six counties have MA-certified crisis programs. DHS indicates that the remaining six are not currently pursuing MA certification. Consequently, this item would broaden the purposes of the grant program to allow counties to enhance their crisis programs to better serve rural areas, regardless of whether such enhancements are intended to meet certification standards. The bill would not change base funding for this grant program ($125,000 GPR per year).

5. CHILD PSYCHIATRY CONSULTATION PROGRAM

GPR	$500,000

Joint Finance: Provide $500,000 in 2020-21 for the child psychiatry consultation program, to increase total funding for the program to $1,500,000 in that year.

6. SUICIDE PREVENTION GRANT

GPR	$100,000

Joint Finance: Provide $100,000 GPR in 2019-20 to provide a one-time grant to the Wisconsin United Coalition of Mutual Assistance Association, Inc. to support suicide prevention activities conducted by the coalition in the 2019-21 biennium.

Departmentwide and Quality Assurance

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$17,890,600	0.00
FED	10,152,500	- 4.50
PR	11,123,500	0.00
SEG	53,400	0.00
Total	$39,220,000	- 4.50

Governor/Joint Finance: Provide $19,486,000 ($8,874,500 GPR, $5,044,200 FED, $5,540,800 PR and $26,500 SEG) in 2019-20 and $19,734,000 ($9,016,100 GPR, $5,108,300 FED, $5,582,700 PR and $26,900 SEG) in 2020-21, and the reduction of 3.0 FED positions in 2019-20 and 4.5 FED positions in 2020-21, to reflect the net effect of the following standard budget adjustments: (a) turnover reduction (-$3,231,600 GPR, -$1,748,600 FED, and -$2,361,600 PR annually); (b) removal of noncontinuing elements (-$253,000 FED and -3.0 FED positions in 2019-20 and -$295,800 FED and -4.5 FED positions in 2020-21); (c) full funding of continuing salaries and fringe benefits ($5,381,000 GPR, $5,189,800 FED, $2,823,000 PR and $25,100 SEG annually); (d) overtime ($3,486,100 GPR and $2,559,700 PR annually); (e) night and weekend salary differentials ($2,072,100 GPR, $101,100 FED and $2,254,900 PR annually); (f) increases in lease costs ($1,166,900 GPR, $1,754,900 FED, $264,800 PR and $1,400 SEG in 2019-20 and $1,308,500 GPR, $1,861,800 FED, $306,700 PR and $1,800 SEG in 2020-21); and (g) minor transfers within appropriations ($0 annually).

2. PROGRAM REVENUE FUNDING ADJUSTMENTS

PR	$34,505,600

Governor/Joint Finance: Provide $17,202,800 in 2019-20 and $17,302,800 in 2020-21 to reflect the net effect of funding adjustments to certain program revenue appropriations.

The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in the bill, and the total amount that would be budgeted in each appropriation under the Governor's budget recommendations.

Program Revenue Funding Adjustments

		2019-20 Funding Change			2020-21 Funding Change		
	Base	This Item	Other Items	Total	This Item	Other Items	Total
Public Health							
Lead Abatement Certification	$368,000	$32,000	-$10,100	$389,900	$32,000	-$10,100	$389,900
Independent Living Centers	600,000	60,000	0	660,000	60,000	0	660,000
Gifts and Grants	13,277,900	4,889,100	500	18,167,500	4,889,100	500	18,167,500
Radiation Monitoring	167,700	30,300	7,600	205,600	30,300	7,600	205,600
Tanning Fees	12,200	100	-12,300	0	100	-12,300	0
Inter-Agency and Intra-Agency Aids	100,000	1,729,700	0	1,829,700	1,729,700	0	1,829,700
Congenital Disorders -- State Operations	565,500	51,100	0	616,600	51,100	0	616,600
Asbestos Abatement Certification	644,400	37,600	-18,000	664,000	37,600	-18,000	664,000
Medicaid Services							
Third-Party Administrator	510,000	6,000,000	90,000	6,600,000	6,000,000	140,000	6,650,000
Inter-Agency and Intra-Agency Programs	6,704,500	1,339,300	160,500	8,204,300	1,439,300	160,500	8,304,300
Care and Treatment Services							
Inter-Agency and Intra-Agency Programs	2,908,300	222,100	139,300	3,269,700	222,100	139,300	3,269,700
Quality Assurance							
Nursing Facility Resident Protection	220,300	2,479,700	0	2,700,000	2,479,700	0	2,700,000
Health Facilities Plan Reviews	887,900	12,100	-24,700	875,300	12,100	-24,700	875,300
Health Facilities -- License Fees	767,200	142,800	24,300	934,300	142,800	24,300	934,300
Licensing and Support Services	2,555,400	44,600	1,113,000	3,713,000	44,600	799,000	3,399,000
General Administration							
Office of the Inspector General -- Inter-Agency and Intra-Agency Operations	797,500	132,300	140,800	1,070,600	132,300	140,800	1,070,600
Total		**$17,202,800**			**$17,302,800**		

3. FEDERAL REVENUE REESTIMATES

FED	$110,494,600

Governor/Joint Finance: Provide $55,282,300 in 2019-20 and $55,212,300 in 2020-21 to reflect the net effect of funding adjustments to certain federal appropriations that are not included in other items in the Governor's budget.

The following table shows the base funding amount for each appropriation affected by this item, the funding change under this item, the net funding changes to these appropriations under other items in the Governor's budget, and the total amount that would be budgeted in each appropriation under the Governor's budget recommendations.

Federal Revenue Reestimates

	Base	2019-20 Reestimate	2019-20 Other Items	2019-20 Total	2020-21 Reestimate	2020-21 Other Items	2020-21 Total
Public Health							
Federal Aging Programs -- State Operations	$1,226,400	$204,400	$19,900	$1,450,700	$204,400	$19,900	$1,450,700
Women, Infants and Children -- State Operations	5,066,700	1,414,100	161,000	6,641,800	1,414,100	161,000	6,641,800
Federal Projects -- Operations	27,006,000	4,966,000	555,500	32,527,500	4,966,000	555,500	32,527,500
Federal Projects -- Aids	45,865,500	14,809,500	0	60,675,000	14,809,500	0	60,675,000
Maternal and Child Health Block Grant -- State Operations	4,412,800	1,245,200	354,000	6,012,000	1,245,200	354,000	6,012,000
Federal Program Aids - Elderly Programs -- Aids	0	29,802,000	0	29,802,000	29,802,000	0	29,802,000
Care and Treatment Services							
Federal Projects -- Aids	4,639,400	7,581,200	0	12,220,600	7,581,200	0	12,220,600
Federal Projects -- Operations	507,300	197,500	245,800	950,600	197,500	203,000	907,800
Community Mental Health Block Grant -- Operations	733,800	216,200	13,000	963,000	216,200	13,000	963,000
Community Mental Health Block Grant -- Aids	3,217,300	752,300	0	3,969,600	752,300	0	3,969,600
Disability and Elder Services							
Federal Projects -- Aids	0	10,500,000	0	10,500,000	10,500,000	0	10,500,000
Federal Programs -- Local Assistance	7,560,000	1,940,000	0	9,500,000	1,940,000	0	9,500,000
Federal Programs -- Aids	25,577,000	-24,577,000	0	1,000,000	-24,577,000	0	1,000,000
Social Services Block Grant -- Transfer	0	6,131,400	0	6,131,400	6,131,400	0	6,131,400
Social Services Block Grant -- Local Assistance	20,978,700	-21,200	0	20,957,500	-91,200	0	20,887,500
General Administration			0				
FoodShare Administration	846,100	53,900	13,100	913,100	53,900	13,100	913,100
Office of the Inspector General -- Federal Local Assistance	1,033,200	66,800	0	1,100,000	66,800	0	1,100,000
Total		**$55,282,300**			**$55,212,300**		

4. POSITION AND FUNDING TRANSFERS

	Funding	Positions
FED	$72,200	- 0.90
PR	- 72,200	0.90
Total	$0	0.00

Governor/Joint Finance: Provide $36,100 FED and reduce funding by $36,100 PR annually, and convert the funding sources for current positions to create a net decrease of 0.9 FED position and a net increase of 0.9 PR position, beginning in 2019-20. The transfer of funding and position authority between appropriations is intended to accurately align funding with the activities of current positions. These transfers reflect reorganizations within the Department and the reassignment of positions that occurred in the current biennium.

5. MEDICAL CANNABIS REGISTRY

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$440,000	0.00	- $440,000	0.00	$0	0.00
PR	801,200	4.00	- 801,200	- 4.00	0	0.00
Total	$1,241,200	4.00	- $1,241,200	- 4.00	$0	0.00

Governor: Provide $840,600 ($440,000 GPR and $400,600 PR) in 2019-20 and $400,600 PR in 2020-21, and 4.0 PR positions beginning in 2019-20, to implement a medical cannabis registry program within the Division of Quality Assurance to track qualifying patients who would be eligible for medication with tetrahydrocannabinols. [See "Marijuana -- Related Provisions."]

Joint Finance: Delete provision.

6. BUREAU OF ASSISTED LIVING STAFF [LFB Paper 425]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$1,302,600	7.56	- $630,700	- 3.78	671,900	3.78
FED	764,900	4.44	- 370,300	- 2.22	394,600	2.22
Total	$2,067,500	12.00	- $1,001,000	- 6.00	$1,066,500	6.00

Governor: Provide $886,100 ($327,800 FED and $558,300 PR) in 2019-20 and $1,181,400 ($437,100 FED and $744,300 PR) in 2020-21, to fund an additional 12.0 project positions (4.44 FED positions and 7.56 PR positions), beginning in in 2019-20 and ending June 30, 2021, to provide 9.0 additional surveyor positions and 3.0 non-surveyor professional positions within the DHS Bureau of Assisted Living to meet workload due to the growth in the number of assisted living facilities in the state.

The Department's Bureau of Assisted Living in the Division of Quality Assurance conducts activities relating to the initial certification, licensing, or registration of assisted living facilities; conducts ongoing surveys; and investigates complaints against these facilities. Assisted living facilities include adult family homes, adult day cares, residential care apartment complexes, and community-based residential facilities.

Joint Finance: Reduce funding by $420,400 (-$264,900 PR and -$155,500 FED) in 2019-20 and by $580,600 (-$365,800 PR and -$214,800 FED) in 2020-21. Delete 6.0 positions (-3.78 PR positions and -2.22 FED positions), beginning in 2019-20. Convert remaining 6.00 positions funded under this item to permanent, rather than two-year project positions.

7. REPORTING AND FEE REQUIREMENTS FOR ASSISTED LIVING FACILITIES [LFB Paper 425]

PR	$500,000

Governor: Provide $500,000 in 2019-20 on a one-time basis to fund IT infrastructure improvements as part of an automated licensing project and to enable assisted living providers to enter reports online.

Require adult day care centers and residential care apartment complexes (RCACs) to submit a report to DHS, every 24 months on a schedule determined by DHS, using an online system prescribed by DHS. Require the report to: (a) be in a format determined by DHS; and (b) contain the information required by DHS, including payment of any fee due. Require DHS to issue a warning to any operator of an adult day care centers or RCAC who does not file a complete report in a timely manner. Authorize DHS to revoke an adult day care center's or RCAC's certification, or an RCAC's registration, for failure to timely and completely report within 60 days after the report date established under the schedule determined by DHS.

Modify current law to require licensed community-based residential facilities and licensed adult family homes to submit required reports every 24 months, through an online system prescribed by DHS. Current law requires these types of assisted living facilities to submit reports every 24 months containing information DHS requires, but does not require online submissions.

Joint Finance: Adopt the Governor's recommendation as described above. In addition, clarify that certified residential care apartment complexes will continue to pay their fees on the schedule established by DHS in administrative code.

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$286,936,400	$298,783,500	$281,903,200	- $16,880,300	- 5.6%	- $5,033,200	- 1.8%
FED	300,000	300,000	300,000	0	0.0	0	0.0
PR	3,334,800	3,408,300	3,334,800	- 73,500	- 2.2	0	0.0
TOTAL	$290,571,200	$302,491,800	$285,538,000	- $16,953,800	- 5.6%	- $5,033,200	- 1.7%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	10.00	10.00	10.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$78,800

Governor/Joint Finance: Modify the base budget by $49,200 annually for full funding of continuing position salaries and fringe benefits and -$10,800 in 2019-20 and -$8,800 in 2020-21 for lease and directed moves costs.

2. WISCONSIN GRANTS -- UW SYSTEM STUDENTS [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$9,439,000	- $9,439,000	$0

Governor: Increase funding for Wisconsin Grants for UW System students by $3,094,800 in 2019-20 and $6,344,200 in 2020-21, which would increase program funding by 5% in 2019-20 and an additional 5% in 2020-21. Annual base level funding for this program is $61,894,100.

Joint Finance: Delete provision.

3. WISCONSIN GRANTS -- PRIVATE, NONPROFIT COLLEGE STUDENTS [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,347,100	- $4,347,100	$0

Governor: Increase funding for Wisconsin Grants for private, nonprofit college students by $1,425,300 in 2019-20 and $2,921,800 in 2020-21, which would increase funding by 5% in 2019-20 and an additional 5% in 2020-21. Annual base level funding for this program is $28,504,600.

Joint Finance: Delete provision.

4. WISCONSIN GRANTS -- TECHNICAL COLLEGE STUDENTS [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,503,200	- $3,503,200	$0

Governor: Increase funding for Wisconsin Grants for technical college students by $1,148,600 in 2018-19 and $2,354,600 in 2020-21, which would increase funding by 5% in 2019-20 and an additional 5% in 2020-21. Annual base level funding for this program is $22,971,700.

Joint Finance: Delete provision.

5. WISCONSIN GRANTS -- TRIBAL COLLEGES [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$73,500	- $73,500	$0
GPR-REV	- $73,500	$73,500	$0

Governor: Increase funding for Wisconsin Grants for Tribal College students by $24,100 in 2019-20 and $49,400 in 2020-21, which would increase program funding by 5% in 2019-20 and an additional 5% in 2020-21. This funding is drawn from tribal gaming revenues and reduces GPR-Earned corresponding. Annual base level funding for the program is $481,800.

Joint Finance: Delete provision.

6. WISCONSIN COVENANT GRANTS

GPR	- $5,002,000

Governor/Joint Finance: Reduce funding by $2,072,000 in 2019-20 and $2,930,000 in 2020-21 to reflect the decreasing number of students eligible for the Wisconsin Covenant Grant program. Annual base level funding is $2,930,000.

The Wisconsin Covenant Grant program provides grants to students who have been designated as Wisconsin covenant scholars and who are enrolled in UW institutions, technical colleges, private, nonprofit colleges and universities, and tribal colleges located in Wisconsin. To be designated as a Wisconsin covenant scholar, a student must have signed the Wisconsin covenant pledge as an eighth grader and fulfilled the pledge by his or her senior year of high school. Under 2011 Act 32, no student may sign the eighth grade Wisconsin covenant pledge after September 30, 2011. The grant program is scheduled to end in 2020-21 when no students will be eligible for grants through the program.

7. TUITION RECIPROCITY PAYMENT [LFB Paper 432]

GPR	- $1,260,000

Joint Finance: Reestimate payments under the Minnesota-Wisconsin reciprocity agreement by -$630,000 annually. Base level funding of $7,130,000 annually is provided in a sum sufficient appropriation.

8. RURAL DENTISTRY SCHOLARSHIPS

GPR	$1,150,000
GPR-Lapse	- 600,000
Net GPR	$550,000

Joint Finance: Provide $800,000 in 2020-21 in a new annual appropriation for scholarships under a rural dentistry scholarship program as well as $350,000 in 2020-21 in a new biennial appropriation under HEAB to cover a portion of the costs of the Marquette University School of Dentistry (MUSD) in administering and implementing the program. In consultation with the Department of Health Services, require HEAB to establish a program for awarding to no more than five first-year students attending MUSD an annual scholarship, including a stipend, equal to $40,000 for each year of a student's enrollment but not exceeding four years. Specify that for every year a student accepts the scholarship, the student must practice for 18 months in a qualifying dental health professional shortage area. Require a student to repay a proportional amount of the scholarships awarded to the student for failure to meet the required number of months of eligible practice. Exclude dental practice in Waukesha, Dane, Milwaukee, Kenosha, and Brown Counties from being eligible under this program. Because only $200,000 of the scholarship funding would be expended in 2020-21, $600,000 of GPR-Lapses are estimated to accrue in that year.

9. WISCONSIN GRANT FORMULAS

Governor: Specify that, if the Higher Educational Aids Board determines during a fiscal year that any formula used to award Wisconsin grants needs to be modified during the fiscal year in order to expend the entire amount appropriated for those grants, the Board may implement the modified formula.

Under the provisions of 2017 Act 59, if HEAB determines during a fiscal year that any formula used to award Wisconsin Grants needs to be modified during the fiscal year in order to expend the entire amount appropriated for those grants, the Board is required to submit the modified formula to the Joint Committee on Finance for approval through a 14-day passive review process. The bill would remove the Joint Finance review and approval requirements and allow HEAB to implement the modified formula.

Joint Finance: Delete provision.

10. MINORITY TEACHER LOAN PROGRAM [LFB Paper 431]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $519,000	$519,000	$0

Governor: Delete $259,500 annually and prohibit HEAB from making loans under the minority teacher loan program after the effective date of the bill. Specify that this prohibition would first apply to loan applications received by HEAB on the effective date of the bill. Require HEAB to administer the repayment and forgiveness of loans made under the program on or before the effective date of the bill. [A minority teacher grant program would be created under DPI -- see "Public Instruction -- Categorical Aids".] While the appropriation language would remain under the bill, no funding would be provided.

Joint Finance: Delete provision.

11. SUPPLEMENTAL TALENT INCENTIVE GRANTS

Governor: Specify that, before the end of a fiscal biennium, HEAB could make supplemental talent incentive grants to students to whom the Board has awarded talent incentive grants in that fiscal biennium, but only if HEAB determines that, after the Board makes all of the initial grants in that fiscal biennium, moneys remain available. In addition, clarify that the $1,800 per academic year limit on talent incentive grants does not apply to supplemental talent incentive grants.

The Talent Incentive Program (known as "TIP") provides grants to the most needy and educationally disadvantaged students. Freshmen grant recipients are selected by the staff of the Wisconsin Educational Opportunity Program (WEOP) in the Department of Public Instruction and institutional financial aid officers. Current law limits TIP grants to a maximum of $1,800 per academic year. Only students who receive TIP awards as freshmen are eligible to receive awards as upperclassmen. Students may receive TIP awards for up to 10 semesters within the first six years after the initial grant was awarded.

Joint Finance: Delete provision.

12. STUDENT LOAN REFINANCING STUDY COMMITTEE

Governor: Create the Student Loan Refinancing Study Committee to study the creation and administration of a bonding authority for the refinancing of student loans in Wisconsin in order to ease the burden of student loan debt for Wisconsin residents. Specify that the Committee would consist of the following members: (a) the Secretary of the Department of Financial Institutions; (b) the State Treasurer; and (c) the Executive Secretary of the Higher Educational Aids Board. Require the Committee to, no later than October 1, 2020, submit to the Governor and the Legislature, a report that includes the following: (1) recommendations regarding the corporate and legal structure of the refinancing entity, including governance; (2) a profile of the loan portfolio, projected start-up and operational costs, estimated staffing needs, underwriting requirements, and other information pertinent to the creation of a refinancing entity that can offer interest rate savings to student loan debtors in Wisconsin; and (3) an assessment of the feasibility of and options for offering protections to borrowers refinancing student debt through the refinancing entity that are similar to the protections under federal student loan programs. Provide that the Committee terminates upon the submission of the report. In addition, specify that the Department of Financial Institutions would be required to pay the administrative expenses of the Committee, not to exceed $50,000.

Joint Finance: Delete provision.

13. REFERENCES TO INDIVIDUALS WITH DISABILITIES

Governor/Joint Finance: Replace references to "handicapped" individuals with "impaired" individuals in sections of the statutes administered by HEAB.

HISTORICAL SOCIETY

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$40,228,200	$43,133,800	$42,944,400	- $189,400	- 0.4%	$2,716,200	6.8%
FED	2,713,000	2,765,500	2,754,600	- 10,900	- 0.4	41,600	1.5
PR	6,765,000	7,034,800	6,985,900	- 48,900	- 0.7	220,900	3.3
SEG	9,409,800	9,721,000	9,598,900	- 122,100	- 1.3	189,100	2.0
TOTAL	$59,116,000	$62,655,100	$62,283,800	- $371,300	- 0.6%	$3,167,800	5.4%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	97.15	98.15	112.65	14.50	15.50
FED	6.86	6.86	8.86	2.00	2.00
PR	18.25	18.25	26.75	8.50	8.50
SEG	12.78	12.78	33.28	20.50	20.50
TOTAL	135.04	136.04	181.54	45.50	46.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$1,409,800
FED	52,500
PR	247,000
SEG	311,200
Total	$2,020,500

Governor/Joint Finance: Modify the base budget by $658,200 GPR, $26,200 FED, $123,100 PR, and $155,600 SEG in 2019-20 and $751,600 GPR, $26,300 FED, $123,900 PR, and $155,600 SEG in 2020-21 for: (a) turnover reduction (-$176,400 GPR annually); (b) full funding of continuing position salaries and fringe benefits ($748,600 GPR, $29,400 FED, $167,700 PR, and $155,600 SEG annually); (c) overtime ($7,300 GPR annually); (d) night and weekend differential pay ($12,300 GPR annually); and (e) lease and directed moves costs ($66,400 GPR, -$3,200 FED, and -$44,600 PR in 2019-20 and $159,800 GPR, -$3,100 FED, and -$43,800 PR in 2020-21).

2. CURATOR OF AMERICAN INDIAN COLLECTIONS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$99,900	1.00	- $99,900	- 1.00	$0	0.00

Governor: Provide $43,100 and 1.0 position in 2019-20 and $56,800 in 2020-21 for a curator of American Indian collections at the Society's State Archive Preservation Facility. The funding includes $28,000 salary, $13,100 fringe benefits, and $2,000 travel, supplies, and equipment in 2019-20, and $37,300 salary, $17,500 fringe benefits, and $2,000 travel, supplies, and equipment in 2020-21. The position would be responsible for collecting, preserving, research, and interpreting American Indian collections at the facility, and would serve as a liaison between the Society and American Indian tribes in the state.

Joint Finance: Delete provision.

3. DEBT SERVICE REESTIMATE

GPR	$1,059,400
PR	22,800
Total	$1,082,200

Governor/Joint Finance: Provide $565,600 GPR and -$110,600 PR in 2019-20 and $493,800 GPR and $133,400 PR in 2020-21 as a reestimate of debt service payments. Base level funding is $4,408,100 GPR and $273,000 PR annually.

4. FUEL AND UTILITIES REESTIMATE

GPR	$336,500

Governor/Joint Finance: Provide $162,700 in 2019-20 and $173,800 in 2020-21 to reflect estimated costs for fuel and utilities at Historical Society facilities. Base level funding is equal to $740,600 GPR annually.

5. ADDITIONAL POSITION AUTHORITY [LFB Paper 435]

	Funding	Positions
GPR	- $89,500	15.50
FED	-10,900	2.00
PR	- 48,900	8.50
SEG	- 122,100	20.50
Total	- $271,400	46.50

Joint Finance: Provide the Historical Society with an increase of 46.5 classified permanent positions, including 15.5 GPR, 2.0 FED, 8.5 PR, and 20.5 SEG positions, beginning in 2020-21.

Delete funding totaling $271,400 ($89,500 GPR, $10,900 FED, $48,900 PR, and $122,100 SEG) beginning in 2020-21.

INSURANCE

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$72,273,700	$72,273,700	$0	0.0%	$72,273,700	N.A.
FED	1,228,800	127,726,300	127,726,300	0	0.0	126,497,500	N.A.
PR	39,293,200	40,915,200	39,480,400	- 1,434,800	- 3.5	187,200	0.5%
SEG	183,551,800	122,426,700	122,426,700	0	0.0	- 61,125,100	- 33.3
TOTAL	$224,073,800	$363,341,900	$361,907,100	- $1,434,800	- 0.4%	$137,833,300	61.5%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
FED	5.10	0.00	0.00	0.00	- 5.10
PR	124.15	131.25	124.15	- 7.10	0.00
SEG	11.75	10.68	10.68	0.00	- 1.07
TOTAL	141.00	141.93	134.83	- 7.10	- 6.17

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

FED	- $146,200
PR	168,700
SEG	56,600
Total	$79,100

Governor/Joint Finance: Provide $23,300 (-$73,100 FED, $68,600 PR and $27,800 SEG) in 2019-20 and $55,800 (-$73,100 FED, $100,100 PR, and $28,800 SEG) in 2020-21 to reflect the following standard budget adjustments: (a) -$242,900 PR annually for turnover reduction; (b) -$73,100 FED, $526,300 PR, and $34,600 SEG annually for full funding of continuing position salaries and fringe benefits; and (c) -$214,800 PR and -$6,800 SEG in 2019-20 and -$183,300 PR and -$5,800 SEG in 2020-21 for full funding of lease and directed move costs.

2. WISCONSIN HEALTHCARE STABILITY PLAN [LFB Paper 440]

GPR	$72,273,700
FED	127,726,300
Total	$200,000,000

Governor/Joint Finance: Provide $72,273,700 GPR and $127,726,300 FED in 2020-21 to fund estimated reinsurance payments for plan year 2019 under the Wisconsin healthcare stability plan (WHSP). WHSP was authorized under 2017 Wisconsin Act 138 and implemented under the terms of a waiver agreement, pursuant to Section 1332 of the federal Affordable Care Act. WHSP is a state-operated reinsurance program, supported with state and federal funding, that is intended to reduce premiums paid by individuals who purchase health insurance in the individual market. Reinsurance payments reimburse insurers for a portion of the total annual claims for individuals with high costs. For 2019, the program will pay 50% of the total annual claims between $50,000 and $250,000.

Act 138 authorized OCI to expend up to $200 million (all funds) in each year, beginning for plans sold for coverage in 2019, to make payments to health insurers to subsidize the cost of individual health policies purchased by Wisconsin residents. The act created two appropriations to fund these payments. First, a federal appropriation enables OCI to expend all moneys the agency receives under the terms of the waiver agreement, generated by federal savings resulting from reduced costs of premium tax credits. Second, a sum-sufficient GPR appropriation is intended to fund the difference between available federal funds and the total subsidies available in each year. On November 30, 2018, the federal Department of Health and Human Services notified the state that the state's federal pass through funding for the 2019 plan year is estimated at $127,726,300. This item reflects this estimate and an estimate of the GPR funding that would be needed to make up the difference between the $200 million total and the federal pass through funding. OCI expects to make plan year 2019 reinsurance payments in July of 2020, based on timelines established for the program by Act 138.

3. PHASE OUT LOCAL GOVERNMENT PROPERTY INSURANCE FUND

	Funding	Positions
SEG	- $61,181,700	- 1.07

Governor/Joint Finance: Reduce funding by $30,590,800 in 2019-20 and $30,590,900 in 2020-21 and delete 1.07 positions, beginning in 2019-20, to reflect the phase out of the local government property insurance fund (LGPIF). The LGPIF is a property insurance program for local governments. The 2017-19 biennial budget act included a provision that prohibits OCI from issuing or renewing policies with an end date past December 31, 2018. All claims must be submitted by July 1, 2019. This item has two components. First, the bill would reduce the appropriation for paying claims by $29,160,200 annually, leaving $500,000 annually in remaining expenditure authority for any remaining claims. Second, the bill would reduce funding in the program's appropriation for administrative costs by $1,430,600 in 2019-20 and $1,430,700 in 2020-21, which in combination with standard budget adjustments, would eliminate all funding for the administration of the program.

4. NONRESIDENT INSURANCE APPOINTMENT FEE [LFB Paper 441]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	$6,150,000	- $6,150,000	$0
GPR-REV	6,150,000	- 6,150,000	0

Governor: Increase the annual fee for nonresident insurance appointments by $10, from $30 to $40, effective January 1, 2020. Increase estimated PR revenue collected by OCI by $2,050,000 in 2019-20 and $4,100,000 in 2020-21 to reflect this increase. Under current law, in each year, all program revenues collected by OCI that are credited to the agency's general program operations appropriation that exceed 10% of that fiscal year's expenditures lapse to the general fund. Under this provision, OCI currently deposits approximately $20 million annually to the general fund. Since this item would increase PR revenue collected by OCI, it would increase general fund revenues by the amounts of the program revenue increases.

Under current law, insurers are required to appoint intermediaries (generally, licensed insurance agents) who solicit, negotiate, or place insurance or annuities on behalf of the insurer. Insurers are required to report to OCI all appointments, including renewals of appointments, and all terminations of appointments of insurance agents that do business in Wisconsin, and pay a fee for each resident and nonresident appointment. The 2017-19 budget act reduced the nonresident appointment fee by $10, from $40 to $30, effective on January 1, 2019. The proposed fee increase in this item would restore the nonresident appointment fee to the amount levied prior to that reduction. The annual appointment fee for agents who are Wisconsin residents is $16, and would not be affected by this item.

Joint Finance: Delete provision.

5. HEALTHCARE OUTREACH POSITIONS [LFB Paper 442]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$1,082,600	5.10	- $1,082,600	- 5.10	$0	0.00

Governor: Provide $541,300 annually to fund 5.1 positions, beginning in 2019-20, to provide health insurance education and outreach activities, including assisting individuals with enrolling in the health insurance exchange. Of this funding, $333,600 annually would be budgeted for position salary and fringe benefits, and $207,700 annually would be budgeted for supplies and services associated with these positions, including travel and other program costs.

Joint Finance: Delete the 5.1 positions and transfer $541,300 annually to the Joint Finance Committee's program supplements appropriation, which would enable OCI to submit a request to the Committee for release of the expenditure authority to make grants for health insurance education and outreach.

6. RATE REVIEWS -- DELETE EXPIRED FEDERAL FUNDING AND POSITION AUTHORITY

	Funding	Positions
FED	- $1,082,600	- 5.10

Governor/Joint Finance: Reduce funding by $541,300 annually and delete 5.10 positions, beginning in 2019-20, to reflect the elimination (in combination with standard budget adjustments) of funding and position authority that had previously been used for health insurance rate review. The rate review process was supported by one-time federal grants that have expired. OCI indicates that rate review functions will be supported from current staff supported by the agency's general program operations PR appropriation during the 2019-21 biennium.

7. PRESCRIPTION DRUG PRICING AND COST REPORTING

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$352,200	2.00	- $352,200	- 2.00	0.00	000

Governor: Provide $176,100 annually to support 2.0 positions, beginning in 2019-20, to administer new OCI program responsibilities related to the submission of reports by prescription drug manufacturers, pharmacy benefit managers, health insurers, and certain hospitals regarding prescription drug costs and pricing. The statutory provisions in the bill regarding prescription drug pricing and costs are described below.

Provisions Affecting Prescription Drug Manufacturers. Require a prescription drug manufacturer to notify the Insurance Commissioner (hereafter, OCI) if it is increasing the wholesale acquisition cost of a brand-name drug on the market in Wisconsin by more than ten percent or by more than $10,000 during any 12-month period or if it intends to introduce to market in Wisconsin a brand-name drug that has an annual wholesale acquisition cost of $30,000 or more. In addition, require a manufacturer to notify OCI if it is increasing the wholesale acquisition cost of a generic drug by more than 25 percent or by more than $300 during any 12-month period or if it intends to introduce to market a generic drug that has an annual wholesale acquisition cost of $3,000 or more. Define "wholesale acquisition cost" as the most recently reported manufacturer list or catalog price for a brand-name drug or a generic drug available to wholesalers or direct purchasers in the United States, before application of discounts, rebates, or reductions in price.

Require each manufacturer to provide these notices in writing at least 30 days before the planned effective date of the cost increase or drug introduction with a justification that includes all documents and research related to the manufacturer's selection of the cost increase or introduction price and a description of life cycle management, market competition and context, and estimated value or cost-effectiveness of the product.

Require each manufacturer, by March 1 annually, to report to OCI the following: (a) the value of price concessions, expressed as a percentage of the wholesale acquisition cost, provided to each pharmacy benefit manager for each drug sold in Wisconsin; and (b) a description of each

manufacturer sponsored patient assistance program in effect during the previous year that includes all of the following: (i) the terms of the programs; (ii) the number of prescriptions provided to Wisconsin residents under the program; and (iii) the total market value of assistance provided to Wisconsin residents under the program. Define a "manufacturer-sponsored assistance program" as a program offered by a manufacturer or an intermediary under contract with a manufacturer through which a brand-name drug or a generic drug is provided to a patient at no charge or at a discount. Specify that the term "manufacturer" does not include an entity that is engaged only in the dispensing of a brand-name drug or a generic drug.

Provisions Affecting Pharmacy Benefit Managers. Prohibit any person from performing any activities of a pharmacy benefit manager (PBM) in Wisconsin without first registering with OCI. Require OCI to establish a registration procedure for PBMs and authorize OCI to promulgate any rules necessary to implement these registration procedures. PBMs are defined, under current law, as an entity doing business in Wisconsin that contracts to administer or manage prescription drug benefits on behalf of any insurer or other entity that provides prescription drug benefits to state residents.

Require each PBM, by March 1 annually, to report to OCI the amount it received from manufacturers as drug rebates and the value of price concessions, expressed as a percentage of the wholesale acquisition cost, provided by manufacturers for each drug.

Provisions Affecting Hospitals. Require hospitals that participate in the federal 340B drug discount program, by March 1 annually, to report to OCI the per unit margin for each drug covered under the 340B program that was dispensed in the previous year multiplied by the number of units dispensed at that margin and how the margin revenue was used. Define "margin" to mean the difference between the net cost of each drug and the net payment by the hospital. For the purposes of this provision, the net payment is the amount paid after all discounts and rebates have been applied. The 340B program requires drug manufacturers to provide drugs to certain entities, including certain nonprofit hospitals, at a discounted price.

Provisions Affecting Health Insurers. Require each health insurer, at the time the insurer files a premium rate request with OCI for review, to also submit a report that identifies the 25 prescription drugs that are the highest cost to the insurer and the 25 prescription drugs that have the highest cost increases over the 12 months before the submission of the report.

Require OCI to ensure that health insurers that cover prescription drugs do not restrict pharmacies or pharmacists that dispense drugs or biological products from informing, or penalize pharmacies or pharmacists for informing, an insured under a policy of a difference between the negotiated price of, or copayment or coinsurance for, the drug or biological product under the policy and the price the insured would pay for the drug or biological product if the insured obtained the drug or biological product without using any health insurance coverage.

OCI Responsibilities. Require OCI to publicly post manufacturer price justification documents and hospital documentation of how each hospital spends the 340B drug margin revenue. Require OCI to keep any trade secret or proprietary information confidential.

Require OCI to analyze data collected under these provisions and publish annually a report

on emerging trends in prescription prices and price increases, and to annually conduct a public hearing based on this analysis. Specify that the report must include: (a) an analysis of manufacturer prices and price increases; (b) an analysis of hospital-specific margins under the 340B program and how that revenue is spent or allocated on a hospital-specific basis; and (c) an analysis of how pharmacy benefit manager discounts and net costs compare to retail prices paid by patients.

Require OCI to conduct a statistically-valid survey of pharmacies in Wisconsin regarding whether the pharmacy agreed to not disclose that customer drug benefit cost sharing exceeds the cost of the dispensed drug.

Joint Finance: Delete provision.

8. BOALTC HELPLINE FUNDING TRANSFER

PR	$18,500

Governor/Joint Finance: Provide $8,800 in 2019-20 and $9,700 in 2020-21 to reflect a reestimate of the amount of insurance fee revenue that will be needed to fund telephone counseling services provided by the Board on Aging and Long-Term Care (BOALTC) for individuals seeking information on Medicare supplemental insurance policies ("Medigap" policies), Medicare Part D policies (policies that cover prescription drugs), and SeniorCare.

The BOALTC Helpline provides free one-on-one insurance counseling services to state residents over the age of 60. The Helpline is supported from two sources -- federal funds the state receives under the state health insurance assistance program (SHIP) and state insurance fee revenue budgeted as part of OCI's general program operations appropriation that OCI transfers to BOALTC.

9. HEALTH INSURANCE ISSUANCE AND COVERAGE REQUIREMENTS

Governor: Incorporate provisions of 2019 Senate Bill 37 into the bill. These provisions make various modifications to current law health insurance and health benefit plan regulations, as they relate to issuance and renewal of policies, premiums, cost sharing, and coverage requirements, as described below.

Guaranteed Issue and Renewal of Policies. Require every individual health benefit plan and every group health benefit plan to accept every individual and every employer, as applicable, that applies for coverage, regardless of sexual orientation, gender identity, or whether or not any employee or individual has a preexisting condition. Specify that a health benefit plan may restrict enrollment in coverage to open or special enrollment periods. Require the Insurance Commissioner (OCI) to establish a statewide open enrollment period of no shorter than 30 days for every individual health benefit plan to allow individuals, including individuals who do not have coverage, to enroll in coverage.

Prohibit Preexisting Condition Exclusions. Prohibit an insurer that offers a group health benefit plan or an individual insurance policy from imposing a preexisting condition exclusion (the denial or reduction of a claim related to a condition that existed prior to the effective date of

coverage). Modify related statutory definitions and provisions that place limits on preexisting condition exclusions and to reflect the change to a general prohibition against the practice.

Prohibit Discrimination Based on Health Status -- Enrollment, Premiums and Cost Sharing. Prohibit an individual health benefit plan or a government self-insured plan from establishing rules for the eligibility of any individual to enroll, or the continued eligibility to remain enrolled in a plan based on any of the following: (a) health status; (b) medical condition, including both physical and mental illnesses; (c) claims experience; (d) receipt of health care; (e) medical history; (f) genetic information; (g) evidence of insurability, including conditions arising out of acts of domestic violence; or (h) disability.

Prohibit an insurer offering an individual health benefit plan or a self-insured plan from requiring any individual, as a condition of enrollment or continued enrollment under the plan, to pay, on the basis of any health status-related factor listed above, with respect to the individual or a dependent of the individual, a premium or contribution or a deductible, copayment, or coinsurance amount that is greater than that required for a similarly situated individual enrolled under the plan.

Specify that these restrictions do not prevent an insurer from offering an individual health benefit plan or a self-insured health plan from establishing premium discounts or rebates or modifying otherwise applicable cost sharing in return for adherence to programs of health promotion and disease prevention.

Modify a current law provision, applicable to group health benefit plans, from charging different premiums to similarly-situated individuals based on any health status-related factor, to also prohibit charging a different deductible, copayment, or coinsurance amount to similarly-situated individuals based on health status.

Restrictions on Premium Rate Variation. Specify that a health benefit plan offered on the individual or small employer market (between two and 50 employees) or a self-insured health plan may vary premium rates for a specific plan based only on the following considerations: (a) whether the policy or plan covers an individual or a family; (b) the rating area in the state, as established by OCI; (c) age, except that the rate may not vary by more than three-to-one for adults over the age groups and the age bands shall be consistent with recommendations of the National Association of Insurance Commissioners; and (d) tobacco use, except that the rate may not vary by more than 1.5-to-one.

Prohibit Annual and Lifetime Limits. Prohibit an individual or group health benefit plan or a government self-insured health plan from establishing lifetime or annual limits on the dollar value of benefits for an enroll or a dependent of an enrollee under the plan.

Applicability of Provisions to Short-Term, Limited Duration Plans. Specify that the provisions summarized above related to guaranteed issue, preexisting condition exclusions, discrimination based on health status, restrictions on premiums, and annual and lifetime limits also apply to short-term, limited-duration health insurance policies. Define a short-term, limited-duration health insurance policy as health coverage that is provided under contract with an insurer, has an expiration date specified in the contract that is less than 12 months after the original

effective date of the contract, and, taking into account renewals or extensions, has a duration of no longer than 36 months in total.

Essential Health Benefits. Require every health insurance policy (except for specified restricted-benefit policies) and every government self-insured health plan to provide coverage for essential health benefits, as determined by OCI by rule, on a date specified by OCI by rule. Require OCI, in determining the essential health benefits for which coverage is required, to included benefits, items, and services in, at least, all of the following categories: (a) ambulatory patient services; (b) emergency services; (c) hospitalization; (d) maternity and newborn care; (e) mental health and substance use disorder services, including behavioral health treatment; (f) prescription drugs; (g) rehabilitative and habilitative services and devices; (h) laboratory services; (i) preventive and wellness services and chronic disease management; and (j) pediatric services, including oral and vision care.

Require OCI to do the following with respect to essential health benefits: (a) conduct a survey of employer-sponsored coverage to determine benefits typically covered by employers and ensure that the scope of essential health benefits for which coverage is required is equal to the scope of benefits covered under a typical insurance policy offered by an employer to its employees; (b) ensure that essential health benefits reflect a balance among the essential health benefit categories such that benefits are not unduly weighted toward one category; (c) ensure that essential health benefit coverage is provided with no or limited cost-sharing requirements; (d) require that insurance policies and self-insured health plans do not make coverage decisions, determine reimbursement rates, establish incentive programs, or design benefits in ways that discriminate against individuals because of their age, disability, or expected length of life; (e) establish essential health benefits in a way that takes into account the health care needs of diverse segments of the population, including women, children, persons with disabilities, and other groups; (f) ensure that essential health benefits are not subject to a coverage denial based on an insured's or plan participant's age, expected length of life, present or predicted disability, degree of dependency on medical care, or quality of life; (g) require that insurance policies and government self-insured health plans cover emergency department services that are essential health benefits without imposing any requirement to obtain prior authorization for those services and without limiting coverage for services provided by an emergency services provider that is not in the provider network of a policy or plan in a way that is more restrictive than requirements or limitations that apply to emergency services provided by a provider that is in the provider network of the policy or plan; (h) require an insurance policy or government self-insured health plan to apply to emergency department services that are essential health benefits provided by an emergency department provider that is not in the provider network of the policy or plan the same copayment amount or coinsurance rate that applies if those services are provided by a provider that is in the provider network of the policy or plan; and (i) periodically update, by rule, the essential health benefits to address any gaps in access to coverage.

Specify that if an essential health benefit is also subject to other coverage mandates specified in state statute and the coverage requirements are not identical, the insurance policy or government self-insured health plan shall provide coverage under whichever provision provides the insured or plan participant with more comprehensive coverage of the medical condition, item, or service. Specify that the essential health benefit provisions or rules promulgated under these provisions do

not prohibit an insurance policy or a government self-insured health plan from providing benefits in excess of the essential health benefit coverage.

Coverage of Preventive Services and other Mandatory Coverage Requirements. Require every health insurance policy (except for specified restricted-benefit policies) and every government self-insured health plan to provide coverage for the preventive services listed below. These preventive services are generally from the list of services given an "A" or "B" rating by the U.S. Preventive Services Task Force. Under federal regulations developed to implement provisions of the Affordable Care Act, these services must be covered with no cost sharing by insurance policies and health plans.

- Mammography.

- Genetic breast cancer screening and counseling and preventive medication for adult women at high risk for breast cancer.

- Papanicolaou test for cancer screening for women 21 years of age or older with an intact cervix.

- Human papillomavirus testing for women who have attained the age of 30 years but have not attained the age of 66 years.

- Colorectal cancer screening.

- Annual tomography for lung cancer screening for adults who have attained the age of 55 years but have not attained the age of 80 years and who have health histories demonstrating a risk for lung cancer.

- Skin cancer screening for individuals who have attained the age of ten years but have not attained the age of 22 years.

- Counseling for skin cancer prevention for adults who have attained the age of 18 years but have not attained the age of 25 years.

- Abdominal aortic aneurysm screening for men who have attained the age of 65 years but have not attained the age of 75 years and who have ever smoked.

- Hypertension screening for adults and blood pressure testing for adults, for children under the age of three years who are at high risk for hypertension, and for children three years of age or older.

- Lipid disorder screening for minors two years of age or older, adults 20 years of age or older at high risk for lipid disorders, and all men 35 years of age or older.

- Aspirin therapy for cardiovascular health for adults who have attained the age of 55 years but have not attained the age of 80 years and for men who have attained the age of 45 years but have not attained the age of 55 years.

- Behavioral counseling for cardiovascular health for adults who are overweight or

obese and who have risk factors for cardiovascular disease.

- Type II diabetes screening for adults with elevated blood pressure.

- Depression screening for minors 11 years of age or older and for adults when follow-up supports are available.

- Hepatitis B screening for minors at high risk for infection and adults at high risk for infection.

- Hepatitis C screening for adults at high risk for infection and one-time hepatitis C screening for adults born in any year from 1945 to 1965.

- Obesity screening and management for all minors and adults with a body mass index indicating obesity, counseling and behavioral interventions for obese minors who are 6 years of age or older, and referral for intervention for obesity for adults with a body mass index of 30 kilograms per square meter or higher.

- Osteoporosis screening for all women 65 years of age or older and for women at high risk for osteoporosis under the age of 65 years.

- Immunizations.

- Anemia screening for individuals six months of age or older and iron supplements for individuals at high risk for anemia and who have attained the age of six months but have not attained the age of 12 months.

- Fluoride varnish for prevention of tooth decay for minors at the age of eruption of their primary teeth.

- Fluoride supplements for prevention of tooth decay for minors six months of age or older who do not have fluoride in their water source.

- Gonorrhea prophylaxis treatment for newborns.

- Health history and physical exams for prenatal visits and for minors.

- Length and weight measurements for newborns and height and weight measurements for minors.

- Head circumference and weight-for-length measurements for newborns and minors who have not attained the age of three years.

- Body mass index for minors two years of age or older.

- Blood pressure measurements for minors three years of age or older and a blood pressure risk assessment at birth.

- Risk assessment and referral for oral health issues for minors who have attained the

age of six months but have not attained the age of seven years.

- Blood screening for newborns and minors who have not attained the age of two months.

- Screening for critical congenital health defects for newborns.

- Lead screenings.

- Metabolic and hemoglobin screening and screening for phenylketonuria, sickle cell anemia, and congenital hypothyroidism for minors including newborns.

- Tuberculin skin test based on risk assessment for minors one month of age or older.

- Tobacco counseling and cessation interventions for individuals who are five years of age or older.

- Vision and hearing screening and assessment for minors including newborns.

- Sexually transmitted infection and human immunodeficiency virus counseling for sexually active minors.

- Risk assessment for sexually transmitted infection for minors who are ten years of age or older and screening for sexually transmitted infection for minors who are 16 years of age or older.

- Alcohol misuse screening and counseling for minors 11 years of age or older.

- Autism screening for minors who have attained the age of 18 months but have not attained the age of 25 months.

- Developmental screening and surveillance for minors including newborns.

- Psychosocial and behavioral assessment for minors including newborns.

- Alcohol misuse screening and counseling for pregnant adults and a risk assessment for all adults.

- Fall prevention and counseling and preventive medication for fall prevention for community-dwelling adults 65 years of age or older.

- Screening and counseling for intimate partner violence for adult women.

- Well-woman visits for women who have attained the age of 18 years but have not attained the age of 65 years and well-woman visits for recommended preventive services, preconception care, and prenatal care.

- Counseling on, consultations with a trained provider on, and equipment rental for breastfeeding for pregnant and lactating women.

- Folic acid supplement for adult women with reproductive capacity.
- Iron deficiency anemia screening for pregnant and lactating women.
- Preeclampsia preventive medicine for pregnant adult women at high risk for preeclampsia.
- Low-dose aspirin after 12 weeks of gestation for pregnant women at high risk for miscarriage, preeclampsia, or clotting disorders.
- Screenings for hepatitis B and bacteriuria for pregnant women.
- Screening for gonorrhea for pregnant and sexually active females 24 years of age or younger and females older than 24 years of age who are at risk for infection.
- Screening for chlamydia for pregnant and sexually active females 24 years of age and younger and females older than 24 years of age who are at risk for infection.
- Screening for syphilis for pregnant women and adults who are at high risk for infection.
- Human immunodeficiency virus screening for adults who have attained the age of 15 years but have not attained the age of 66 years and individuals at high risk of infection who are younger than 15 years of age or older than 65 years of age.
- All contraceptives and services in accordance with separate statutory provisions.
- Any services not already specified having an A or B rating in current recommendations from the U.S. Preventive Services Task Force.
- Any preventive services not already specified that are recommended by the federal Health Resources and Services Administration's Bright Futures project.
- Any immunizations, not already specified under a separate statutory coverage mandate provision, that are recommended and determined to be for routine use by the federal Advisory Committee on Immunization Practices.

Prohibit insurance policies and government self-insured health plans, with certain exceptions, from subjecting the coverage of any of the listed preventive services to any deductible, copayments, or coinsurance under the policy or plan, and modify various statutory mandatory coverage provisions related to these preventive services to conform with this restriction.

Specify that the insurance policy or plan may apply deductibles to and impose copayments or coinsurance in the following circumstances: (a) if an office visit and a preventive service are billed separately by the health care provider, applicable only on the office visit but not on the preventive service; (b) if the primary reason for an office visit is not to obtain a preventive service, applicable on the office visit; or (c) if a preventive service is provided by a health care provider that is outside the policy's or plan's network of providers, unless the preventive service is provided by an out-of-network provider because there is no available health care provider in the policy's or

plan's network of providers that provides the preventive service. Specify that if multiple well-woman visits are required to fulfill all necessary preventive services and are in accordance with clinical recommendations, the insurance policy or health plan may not apply a deductible to or impose a copayment or coinsurance on any of those well-woman visits.

Other Insurance Mandatory Coverage Provisions. Modify a provision that requires health insurance plans and government self-insured plans to cover certain immunizations to add the following immunizations: (a) hepatitis A; (b) herpes zoster; (c) human papillomavirus; (d) meningococcal meningitis; (e) pneumococcal pneumonia; (f) influenza; and (g) rotavirus. Modify the immunization coverage mandate to extend the coverage requirement to any insured or plan participant, rather than just a child from birth to age six who is a child of the insured.

Modify a current law provision that requires health insurance policies and government self-insured plans to cover outpatient consultations, examinations, procedures, and medical services that are necessary to prescribe, administer, maintain, or remove a contraceptive, if these services are covered for any other drug benefits under the policy or plan, to remove the clause that makes the coverage requirement contingent upon whether these services are coverage for any other drug benefits. Add to the coverage mandate sterilization procedures, and patient education and counseling for all females with reproductive capacity. Specify that an insurance policy or self-insured health plan may not may not apply a deductible or impose a copayment or coinsurance to at least one of each type of contraceptive method approved by the federal Food and Drug Administration for which coverage is required. Specify that the insurance policy or health plan may apply reasonable medical management to a method of contraception to limit coverage that is provided without being subject to a deductible, copayment, or coinsurance, to prescription drugs without a brand name. Authority the insurance policy or health plan to apply a deductible or impose a copayment or coinsurance for coverage of a contraceptive that is prescribed for a medical need if the services for the medical need would otherwise be subject to a deductible, copayment, or coinsurance.

Specify that these provisions first apply to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Some of the provisions contained in this item are intended to conform state laws with insurance market regulations contained in the federal Affordable Care Act (ACA). Since the ACA preempts state regulations with respect to many insurance market regulations, these provisions have no effect as long as the ACA is in effect in its present form. If the ACA's insurance market provisions were to not be in effect, the provisions in this item would maintain some of the ACA's market regulations for the individual and small group policies and for self-insured plans offered by a government entity. [The bill would not affect non-government self-insured plans since federal law preempts state law with respect to these benefit plans.] Specifically, the bill closely matches the ACA's regulations with respect to premium rating rules, guaranteed issue and renewal, prohibition against preexisting condition exclusions, non-discrimination in health care, the

essential health benefits, prohibition against lifetime or annual limits, and no cost-sharing for preventive services.

Some provisions in this item would affect provisions of state law that are not preempted by the ACA, and so would result in changes to insurance laws in the state. In particular, this item would require short-term, limited duration insurance policies to comply with the insurance market regulations that are generally applicable to other health benefit plans under the bill. The ACA does not regulate and does not preempt state law with respect to regulation of short-term plans and under current state law short-term plans are generally exempt from these market regulations.

Joint Finance: Delete provision.

INVESTMENT BOARD

Budget Summary							
				Joint Finance Change to:			
	2018-19 Base	2019-21	2019-21	Governor		Base	
Fund	Year Doubled	Governor	Jt. Finance	Amount	Percent	Amount	Percent
PR	$124,889,400	$124,889,400	$124,889,400	$0	0.0%	$0	0.0%

FTE Position Summary					
		2020-21	2020-21	Joint Finance Change to:	
Fund	2018-19 Base	Governor	Jt. Finance	Governor	2018-19 Base
PR	203.00	203.00	203.00	0.00	0.00

Under current law, the State of Wisconsin Investment Board (SWIB) is authorized to independently establish its operating budget each year and monitor the fiscal management of the budget. Further, SWIB is also authorized to independently create or abolish staff positions for the agency. The Investment Board is required to provide quarterly reports to the Department of Administration, the Co-Chairpersons of the Joint Committee on Finance, and the Co-Chairpersons of the Joint Committee on Audit, identifying all operating expenditures and the number of full-time equivalent positions created or abolished during that quarter. Finally, SWIB officials are required to appear each fiscal year at the first quarterly meeting of the Joint Committee on Finance under s. 13.10 of the statutes, to provide an update of SWIB's budget changes, position authorization changes, assessment of the funds under management, and performance of the funds under management for the current and next fiscal year.

Total expenditures in 2017-18 for the Board were $46,172,900 PR with 188.0 authorized PR positions. In June, 2018, the Board approved an operating budget for 2018-19 of $62,444,700 PR and 203.0 PR positions. In the table above, this amount is indicated for the adjusted base in 2018-19. The SWIB budget recommendation also utilizes this amount for 2019-20 and 2020-21. The actual 2019-20 budget is expected to be finalized by the Board in June, 2019, and the 2020-21 budget one year later.

JUDICIAL COMMISSION

Budget Summary							
				Joint Finance Change to:			
				Governor		Base	
Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Amount	Percent	Amount	Percent
GPR	$620,000	$632,200	$632,200	$0	0.0%	$12,200	2.0%

FTE Position Summary					
		2020-21	2020-21	Joint Finance Change to:	
Fund	2018-19 Base	Governor	Jt. Finance	Governor	2018-19 Base
GPR	2.00	2.00	2.00	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	$12,200

Governor/Joint Finance: Provide $6,100 annually for standard budget adjustments, including: (a) $7,200 annually for salary and fringe benefits; and (b) -$1,100 annually for full funding of lease and directed moves costs.

JUSTICE

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$119,170,400	$132,753,600	$129,291,900	- $3,461,700	- 2.6%	$10,121,500	8.5%
FED	46,577,000	47,852,000	47,852,000	0	0.0	1,275,000	2.7
PR	110,112,800	113,390,000	110,861,000	- 2,529,000	- 2.2	748,200	0.7
SEG	723,800	867,700	867,700	0	0.0	143,900	19.9
TOTAL	$276,584,000	$294,863,300	$288,872,600	- $5,990,700	- 2.0%	$12,288,600	4.4%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	401.18	413.38	406.98	- 6.40	5.80
FED	58.73	42.73	42.73	0.00	- 16.00
PR	259.48	257.48	254.08	- 3.40	- 5.40
SEG	2.75	2.75	2.75	0.00	0.00
TOTAL	722.14	716.34	706.54	- 9.80	- 15.60

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$5,135,300	0.00
FED	1,369,300	- 16.00
PR	755,300	- 9.00
SEG	143,900	0.00
Total	$7,403,800	- 25.00

Governor/Joint Finance: Provide adjustments to the base totaling $2,520,300 GPR, $513,900 PR, $1,010,800 FED, $71,700 SEG, -9.0 PR positions, and -11.0 FED positions in 2019-20; and $2,615,000 GPR, $241,400 PR, $358,500 FED, $72,200 SEG, -9.0 PR positions, and -16.0 FED positions in 2020-21. Adjustments are for: (a) turnover reduction (-$707,100 GPR and -$153,500 PR annually); (b) removal of non-continuing elements from the base (-$91,100 PR, -$263,300 FED, and -9.0 PR and -11.0 FED positions in 2019-20; and -$441,900 PR, -$921,900 FED, and -9.0 PR and -16.0 FED positions in 2020-21); (c) full funding of continuing position salaries and fringe benefits ($2,763,200 GPR, $228,700 PR, $1,262,500 FED, and $57,700 SEG annually); (d) overtime ($150,600 GPR, $531,800 PR, and $11,000 SEG annually); (e) night and weekend differential pay ($9,600 GPR

and $2,100 PR annually); and (f) full funding of lease and directed move costs ($304,000 GPR, -$4,100 PR, $11,600 FED, and $3,000 SEG in 2019-20; and $398,700 GPR, $74,200 PR, $17,900 FED, and $3,500 SEG in 2020-21).

2. STANDARD BUDGET ADJUSTMENTS -- TECHNICAL TRANSFERS WITHIN THE SAME ALPHA APPROPRIATION

Governor/Joint Finance: Transfer positions annually within appropriations in DOJ between different subprograms, as identified in the table below, in order to align budgeted position authorization with assigned programmatic duties and personnel management systems.

Fund Source/Program/ Appropriation	Subprogram	Positions	Funding
GPR			
Law enforcement services			
General program operations	Legal services	0.45	$23,100
	Crime laboratories[1]	-7.33	-937,700
	Crime information bureau	-1.20	-154,900
	Training and standards bureau	0.10	8,800
	Criminal investigation	14.35	1,510,000
	Administrative services[1]	7.40	876,600
	Computing services	17.50	2,087,100
	Narcotics enforcement	-6.50	-853,600
	Internet crimes against children task force	10.00	1,186,800
	DNA analysis resources	-29.00	-3,181,000
	Criminal justice programs	-5.77	-565,200
Administrative services			
General program operations	Legal services	4.05	$389,300
	Administrative services	-3.35	-606,900
	Computing services	-0.70	217,600
	Total GPR	0.00	$0
PR			
Law enforcement services			
Crime laboratories; DNA analysis	Crime laboratories	-11.00	-$810,100
	Crime information bureau	-2.00	-158,400
	Computing services	-2.00	-158,400
	DNA analysis resources	15.00	1,126,900
Gaming law enforcement; Indian gaming	Criminal investigation	-0.60	-$74,200
	Narcotics enforcement	0.60	74,200
Transaction information management of enforcement system	Crime information bureau	4.00	$299,300
	Computing services	-4.00	-299,300
Drug law enforcement, crime laboratories, and genetic evidence activities	Crime laboratories	-5.00	-$221,500
	Criminal investigation	-9.00	-758,300
	Administrative services	-1.00	-111,800
	Narcotics enforcement	-2.00	-124,300
	Internet crimes against children task force	-8.00	-609,100
	DNA analysis resources	25.00	1,825,000

Fund Source/Program/ Appropriation	Subprogram	Positions	Funding
Law enforcement training fund, state operations	Legal services	0.70	$116,900
	Crime information bureau	3.00	229,600
	Training and standards bureau	-4.95	-452,500
	Criminal investigation	1.00	84,800
	Administrative services	0.25	21,200
Interagency and intra-agency assistance	Crime information bureau	-0.20	-$17,500
	Training and standards bureau	0.20	17,500
Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons	Legal services	0.50	$75,300
	Crime information bureau	-2.50	-307,900
	Administrative services	1.00	114,800
	Computing services	1.00	117,800
Drug enforcement intelligence operations	Criminal investigation	-0.50	-$61,100
	Narcotics enforcement	0.50	61,100
Criminal history searches; fingerprint identification	Crime laboratories	10.00	$702,000
	Crime information bureau	-3.34	-257,300
	Training and standards bureau	0.34	30,400
	Computing services	-7.00	-475,100
County-tribal programs, state operations	Administrative services	-0.40	-$49,400
	Narcotics enforcement	0.40	49,400
Wisconsin justice information sharing program	Computing services	-2.10	-$286,900
	Criminal justice programs	2.10	286,900
Law enforcement programs and youth diversion − administration	Training and standards bureau	0.95	$79,600
	Administrative services	-0.57	-43,800
	Criminal justice programs	-0.38	-35,800
	Total PR	0.00	$0
FED			
Law enforcement services			
Federal aid, state operations	Legal services[2]	1.00	$149,200
	Crime laboratories[2]	-2.20	-127,400
	Training and standards bureau[2]	5.53	490,300
	Criminal investigation[2 3]	5.00	404,800
	Computing services	-0.68	-53,600
	Narcotics enforcement	0.50	62,300
	DNA analysis resources[2]	6.00	314,500
	Office of victim services[2]	1.00	49,300
	Criminal justice programs[2 3]	-16.15	-1,289,400
Administrative services			
Indirect cost reimbursements	Administrative services	0.45	$35,500
	Computing services	-0.45	-35,500
Victims and witnesses Federal aid; victim assistance	Administrative services	0.60	$54,100
	Office of victim services	-0.60	-54,100

Fund Source/Program/ Appropriation	Subprogram	Positions	Funding
Federal aid; state operations relating to crime victim services	Training and standards bureau	1.00	$167,100
	Office of victim services	-1.00	-167,100
	Total FED	0.00	$0

[1] Contains the transfer of an appointed position.
[2] Contains the transfer of one or more project positions.
[3] In the second year, an additional $6,900 is transferred from Criminal justice programs to the Criminal investigation.

3. BEAT PATROL OVERTIME AND BEAT PATROL GRANT PROGRAMS [LFB Paper 455]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000,000	$0	$2,000,000
PR	0	- 2,000,000	- 2,000,000
Total	$2,000,000	- $2,000,000	$0

Governor: Modify current law to expand the overtime grant and the beat patrol grant programs to include community policing. Provide $1,000,000 annually in one-time funding for overtime costs for local beat patrol and community policing officers. Convert program funding for the overtime grant program from PR to GPR. Provide that any remaining moneys in the PR appropriation be transferred to a new PR appropriation to be used at the discretion of the Attorney General. Community policing is not defined under the bill.

Under 2017 Act 59, $1,000,000 PR annually was provided during the 2017-19 biennium only to support grants to cities to reimburse overtime costs for uniformed law enforcement officers whose primary duty is beat patrolling. Program revenue funding was provided by funds transferred from the Attorney General's discretionary settlement fund in 2017-18. Under the program, grants may be utilized to support salary and fringe benefit costs only. Further, DOJ: (a) may not award a grant to an individual city in excess of $400,000 for a calendar year; (b) may only award grants to the 10 eligible cities submitting an application for a grant that have the highest rates of violent crime index offenses in the most recent full calendar year for which data is available under the FBI uniform crime reporting system. In addition, a city must have a population of 25,000 or more in order to be eligible to receive a beat patrol overtime grant. A city may receive a grant for a calendar year if the city applies before September 1st of the preceding calendar year and provides DOJ all of the following: (a) the reasons why uniformed law enforcement officers assigned to beat patrol need to work overtime; (b) the status of the hiring and training of new uniformed law enforcement officers who will have beat patrol duties; and (c) a proposed plan of expenditures of the grant monies.

In addition to the beat patrol overtime grant program, DOJ administers the law enforcement officer supplement grant program (also known as the beat patrol grant program). The program was created under 1993 Act 193. Through this grant program, DOJ provides grants to cities to support the salary and fringe benefits costs of employing additional uniformed law enforcement officers

whose primary duty is beat patrol. The Department must make grant awards to the 10 eligible cities submitting applications that have the highest rates of violent crime offenses in the most recent full calendar year for which data is available from the FBI's uniform crime reporting (UCR) system. The Department may not award an annual grant in excess of $150,000 to any one city, and grantees are required to provide a 25% local match to any grant funds received under the program. In order to receive a grant, a city must have a population of 25,000 or more. Cities may generally not utilize grant funding to pay for overtime costs (except in the first year of a city's initial grant under the program). Awards are made on a calendar year basis and a city may receive a grant for three consecutive years without submitting a new application each year. Grant funding provided under this program must result in a net increase in the number of uniformed law enforcement officers assigned to beat patrol duties, when compared to the number of uniformed law enforcement officers the city assigned to beat patrol on April 21, 1994.

Joint Finance: Delete funding for the overtime grant program and instead provide $1,000,000 GPR annually in one-time funding for the beat patrol grant program. Reduce funding for the beat patrol grant program by $1,000,000 PR annually during the 2019-21 biennium only. Remove language associated with the expansion of the grant programs to include community policing.

4. TREATMENT ALTERNATIVES AND DIVERSION PROGRAM EXPANSION [LFB Paper 456]

GPR	$2,000,000

Governor/Joint Finance: Provide $1,000,000 annually in one-time funding for the treatment alternatives and diversion program to fund both new and existing programs.

a. $250,000 annually in one-time funding for existing programs to replace $250,000 annually in one-time program revenue funding provided in the 2017-19 biennium.

b. $250,000 annually in one-time funding to expand existing programs.

c. $500,000 annually in one-time funding for new TAD programs in an appropriation created for counties and tribes that as of the effective date of the bill, have not received a grant under the TAD program.

Funding for the TAD program during the 2017-19 biennium is $5,989,000 in 2017- 18 and $5,989,200 in 2018-19 ($4,650,000 GPR annually and $1,339,000 PR in 2017-18 and $1,339,200 PR in 2018-19). Program revenue for the TAD program is comprised of the following: (a) $1,078,400 PR annually from the justice information system surcharge; (b) $10,600 PR in 2017-18 and $10,800 in 2018-19 from DAPIS and DODS; and (c) $250,000 PR in 2017-18 and 2018-19 from a one-time transfer of funds from DOJ.

5. NONVIOLENT OFFENDER TREATMENT DIVERSION PILOT PROGRAM EXPANSION [LFB Paper 457]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,022,000	- $500,000	$522,000

Governor: Provide $511,000 annually in one-time funding to continue and expand the Nonviolent Offender Treatment Diversion Pilot Program created under 2017 Act 32. Repeal the appropriation is as of July 1, 2021. Under 2017 Act 32, an appropriation was created for a diversion pilot program to divert nonviolent offenders to a treatment option. The Act provided $261,000 for 2017-18 and $261,000 GPR for 2018-19 for the diversion pilot program and repealed the appropriation on July 1, 2019. In 2018, DOJ selected three sites for the pilot: (a) Superior Police Department; (b) Sauk Prairie Police Department; and (c) Door County Sherriff's Department.

The Governor indicates that $261,000 annually would be provided on a one-time for existing programs and $250,000 annually would be used to expand the program to a city of the first-class (Milwaukee).

Joint Finance: Reduce funding by $250,000 GPR annually. Remove language providing $250,000 annually to a city of the first-class.

6. TRANSFER OFFICE OF SCHOOL SAFETY

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $680,800	- 3.80	$680,800	3.80	$0	0.00

Governor: Reduce funding and positions by $226,900 in 2019-20 and $453,900 and 3.8 positions in 2020-21 associated with the transfer of the Office of School Safety to the Department of Public Instruction (DPI). The Office is responsible for administering the grants for school safety and safety-related upgrades to school buildings, equipment, and facilities. Act 143 appropriated $100 million in GPR funding for this purpose under a continuing appropriation. As of March, 2019, approximately $5,450,000 remains available for grants. [See "Public Instruction -- Administrative and Other Funding"]

Joint Finance: Delete provision.

7. DIVISION OF CRIMINAL INVESTIGATION CONTINUED FUNDING [LFB Paper 458]

GPR	$2,117,800
PR	1,500,000
Total	$3,617,800

Governor/Joint Finance: Provide $1,058,900 GPR and $750,000 PR annually, on a one-time basis, to continue one-time funding provided for the Division of

Criminal Investigation in the 2019-21 biennium in order to support current law enforcement operations. The Governor indicates that $750,000 PR from the DNA surcharge would fund one-time supplies and services costs related to the Internet Crimes Against Children (ICAC) Task Force, $558,900 GPR would support overtime costs related to criminal investigations, and $500,000 GPR would fund one-time supplies and services costs related to narcotics enforcement. In the 2017-19 biennium, the same funding sources and amounts were provided on a one-time basis for ICAC activities and overtime costs. In addition, 2017 Act 59 directed DOJ, during the 2017-19 biennium, to annually use $250,000 PR of discretionary settlement and was provided $250,000 PR from drug law enforcement, crime laboratory and DNA surcharges for narcotics enforcement supplies and services.

8. INTERNET CRIMES AGAINST CHILDREN [LFB Paper 458]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$197,400	2.00	- $98,700	- 1.00	$98,700	1.00

Governor: Provide $84,600 in 2019-20 and $112,800 in 2020-21 and 2.0 positions annually for the Internet Crimes Against Children (ICAC) Task Force. Funding for the positions would come from the $500 per image or copy child pornography surcharge imposed on a defendant who is sentenced or placed on probation for sexual exploitation of a child or possession of child pornography.

The budget for the ICAC Unit at DOJ in 2018-19 is $4,243,700 (all funds) and 35.0 positions. The unit's total funding is comprised of $2,571,800 GPR, $1,511,300 PR, and $160,600 FED, supporting 26.0 GPR, 8.0 PR, and 1.0 FED positions. The unit's program revenue-funded budget is supported by the $13 crime laboratory and drug law enforcement surcharge and the DNA surcharge.

Joint Finance: Reduce funding by $42,300 in 2019-20 and $56,400 in 2020-21 and 1.0 position annually to ICAC.

9. CRIMINAL PROSECUTORIAL AND INVESTIGATIVE RESOURCES

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$541,100	4.00	- $406,300	- 3.00	$134,800	1.00

Governor: Provide $231,900 in 2019-20 and $309,200 in 2020-21 and 4.0 positions annually for additional criminal prosecutorial and investigative resources. Of these proposed positions, three would support white-collar crime prosecution (one attorney, one special agent, and one forensic accountant) and one project position would be a sexual assault resource prosecutor.

Joint Finance: Reduce funding by $174,100 in 2019-20 and $232,200 in 2020-21 and 3.0 positions annually for white collar crime prosecution.

10. CRIME LABORATORY AND DIGITAL FORENSIC EXAMINERS AND ANALYSTS [LFB Papers 459 and 460]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$1,236,200	12.00	- $768,400	- 7.20	$467,800	4.80
PR	684,900	5.00	- 430,300	- 2.40	254,600	2.60
Total	$1,921,100	17.00	- $1,198,700	- 9.60	$722,400	7.40

Governor: Provide $529,800 GPR, $207,800 PR in 2019-20 and $706,400 GPR, $477,100 PR in 2020-21, and 12.0 GPR and 5.0 PR positions annually for operations at the state crime laboratories and to increase digital forensic services provided to local law enforcement. These positions would consist of 5.0 PR DNA analysts, 3.0 GPR crime scene response examiners, 3.0 GPR digital forensic analysts, 3.0 GPR Toxicologists, 2.0 GPR firearm and toolmark examiners, and 1.0 GPR evidence examiner. Program revenue positions would be funded from the crime laboratory and drug law enforcement surcharge.

Joint Finance: Reduce funding by $329,300 GPR and $99,800 PR in 2019-20 and $439,100 GPR and $330,500 PR in 2020-21 and 7.2 GPR positions (3.0 crime analysts, 1.4 crime scene response examiners, 1.4 toxicologists, 1.0 firearms and toolmakers examiners, and 0.4 evidence examiner) and 2.4 PR positions annually for operations at the state crime laboratories.

11. CRIME LABORATORY PAY PROGRESSION [LFB Paper 173]

Governor/Joint Finance: Create a pay progression system, effective July 1, 2020, for the professional forensic staff at the State Crime Laboratories to address recruitment and retention of professional forensic staff. The bill does not create a statutory pay progression system, but rather funding for such a system is included as part of the compensation reserves. Aspects of the pay progression system would subsequently be included in the state compensation plan for 2019-21, submitted to the Joint Committee on Employment Relations. [See "Budget Management and Compensation Reserves."]

12. PAY PROGRESSION -- ASSISTANT ATTORNEYS GENERAL [LFB Papers 270 and 461]

GPR	$211,600
PR	47,200
FED	9,700
Total	$268,500

Governor/Joint Finance: Provide $70,100 GPR, $15,600 PR, and $3,500 FED in 2019-20 and $141,500 GPR, $31,600 PR, and $6,200 FED in 2020-21 to support pay progression plan for assistant attorney general (AAGs) attorneys. The AAG pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one seventeenth of the difference between the lowest annual salary ($52,291) and the

highest annual salary ($126,339). The value of one hourly salary step equals $4,356 annually. Notwithstanding the creation of a 17 hourly salary step pay progression plan, the Attorney General is authorized to: (a) deny annual salary increases to individual AAGs; and (b) increase the salary of individual AAGs by up to 10% per year. Funding under the bill is intended to equal a 2% increase for all AAGs on January 1, 2020 and 2021.

13. PROGRAM REVENUE REESTIMATES

PR	- $11,600

Governor/Joint Finance: Reduce funding by $5,800 annually to reflect current revenue projections and estimated program needs for the following program revenue appropriations:

a. -$1,252,800 annually for crime victim and witness assistance surcharge for general services appropriation. Expenditures are reestimated to reflect actual revenue available. Base funding for the appropriation is $6,752,800.

b. -$6,000 annually for victim compensation from inmate payments appropriation. Expenditures are reestimated to reflect actual revenue available. Base funding for the appropriation is $10,700.

c. $3,000 annually for the delinquent obligation collection appropriation. Expenditures are reestimated to reflect actual revenue available. Base funding for the appropriation is $7,000.

d. $750,000 annually for the terminal charges appropriation. Expenditures are reestimated to fund estimated IT project expenditures. Base funding for the appropriation is $2,072,300.

e. $250,000 annually for the drug law enforcement, crime laboratories, and genetic evidence activities appropriation. Expenditures are reestimated to reflect actual expenditures. Base funding for the appropriation is $9,274,800.

f. $250,000 annually for the crime laboratory equipment and supplies appropriation. The appropriation is reestimated to account for maintenance costs. Base funding for the appropriation is $604,100.

The reestimates under a. and b. reduce expenditure authority, but do not change grant and local assistance award amounts.

14. POSITION REALIGNMENT

PR	$104,000
FED	- 104,000
Total	$0

Governor/Joint Finance: Provide $52,000 PR and -$52,000 FED annually to align position duties and funding sources, as follows:

Appropriation	Funding	Positions	Fund Source
Crime Information Alerts	-$77,500	-1.00	PR
Federal Aid, State Operations	77,500	1.00	FED
Federal Aid, State Operations	-129,500	-1.00	FED
Drug Enforcement Intelligence Operations (Penalty Surcharge)	129,500	1.00	PR
Interagency and Intra-Agency Assistance-Law Enforcement Services	-119,700	-1.00	PR
Interagency and Intra-Agency Assistance--Legal Services	119,700	1.00	PR
Total	$0	0.00	
Total--PR	52,000	0.00	
Total--FED	-52,000	0.00	

15. POWERS OF THE ATTORNEY GENERAL

Governor: Repeal the provision of 2017 Act 369 which requires the Attorney General when compromising or discontinuing a civil action which DOJ is prosecuting to either receive the approval of a legislative intervenor or, if there is no intervenor, the Joint Finance Committee (JFC) and, if the plan concedes the unconstitutionality or other invalidity of statute, the Joint Committee on Legislative Organization (JCLO).

Repeal the provision of Act 369 which requires DOJ, in defending actions for injunctive relief or an action involving a proposed consent decree, to obtain approval of any legislative intervenor or, if there is no intervenor, JFC, and, if the plan concedes the unconstitutionality or other invalidity of statute, JCLO.

Under the bill, settlement powers would be reestablished as before Act 369. Under the bill, the Attorney General would be allowed to compromise or discontinue actions prosecuted by DOJ: (a) when directed by the officer, department, board, or commission that directed the prosecution; or (b) with the approval of the Governor when the action is prosecuted by DOJ on the initiative of the Attorney General or at the request of any individual.

Under the bill, when DOJ is representing the defense, the Attorney General may compromise and settle the action as the Attorney General determines to be in the best interest of the state.

Joint Finance: Delete provision.

16. SETTLEMENT AND RELATOR APPROPRIATIONS

Governor: Repeal the provision created in 2017 Act 369 which requires DOJ to deposit all settlement funds into the general fund. Establish three PR continuing appropriations to which settlements funds paid to the state may be received: (a) one for funds that have a purpose specified by the terms of the settlement for specific purposes; (b) one for funds without a purpose specified by the terms of the settlement to be used at the discretion of the Attorney General (discretionary funds); and (c) one for relator funds. (A relator is a type of party in a qui tam lawsuit. A qui tam

lawsuit is one brought under a law that allows a private person to sue for a penalty, part of which the government may receive.)

Convert DOJ's two gifts and grant appropriations from annual to continuing appropriations. As continuing appropriations, DOJ would be authorized to expend any available cash balances credited to each appropriation regardless of appropriated levels authorized by the Legislature.

Require DOJ to submit to DOA and JFC a semiannual report on the receipt and use of settlement funds. The report is required to specify the: (a) total amount of settlement funds received; (b) amount of settlement funds received that have a purpose specified by the terms of the settlement; (c) amount of settlement funds received that do not have a purpose specified by the terms of the settlement; (d) cases from which settlement funds are received; and (e) purposes for which settlement funds are used, and the amounts expended for each purpose.

Joint Finance: Delete provision.

17. QUI TAM ACTIONS FOR FALSE CLAIMS

Governor: Create authority for a private individual to bring a qui tam claim against a person who makes a false or fraudulent claim to a state agency including a false or fraudulent claim for medical assistance. A qui tam claim is a claim initiated by a private individual on his or her own behalf and on behalf of the state against a person who makes a false claim relating to moneys owed by a state agency, including for medical assistance.

Under the bill, a private individual may be awarded up to 30% of the amount recovered as a result of a qui tam claim, depending upon the extent of the individual's contribution to the prosecution of the action. The individual may also be entitled to reasonable expenses incurred in bringing the action, as well as attorney fees.

Federal law currently contains separate federal qui tam claim provisions. Under the bill, provisions enacted in the federal Deficit Reduction Act of 2005 and the federal False Claims Act are incorporated, including expanding provisions of state law to facilitate qui tam actions and modifying the basis for liability to parallel the liability provisions under the federal False Claims Act. Under the bill, provisions would provide DOJ with authority to parallel the liability and penalty standards relating to qui tam claims, and to parallel the forfeiture amounts provided under the federal False Claims Act, which are adjusted in accordance with the federal Civil Penalties Inflation Adjustment Act. These provisions may allow the state to claim additional Medicaid funding. [See "Health Services -- Medical Assistance -- General"]

Under current law, DOJ has authority to bring a claim against a person for making a false claim for medical assistance. In 2015 Act 55, the ability of private individuals to initiate qui tam claims on behalf of the state (at the time related only to medical assistance) was eliminated. The state's initial qui tam claim provisions were created in the 2007-09 biennial budget (2007 Act 20).

Provisions in the bill related to qui tam claims are primarily based on 2017 Assembly Bill 1021 which restored the statutory provisions, and processes removed by 2015 Act 55 (qui tam

actions to parallel federal law). The bill would further expand qui tam provisions to claims other than medical assistance.

Joint Finance: Delete provision.

18. REDUCTION OF DIVISION OF LEGAL SERVICES AND ADMINISTRATIVE SERVICES

GPR	- $2,467,800

Joint Finance: Reduce funding for the Division of Legal Services by $1,704,400 in 2020-21 and funding for Administrative Services by $763,400 in 2020-21.

KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$475,600	$568,300	$462,200	- $106,100	- 18.7%	- $13,400	- 2.8%
SEG	1,478,800	1,464,600	1,464,600	0	0.0	- 14,200	- 1.0
TOTAL	$1,954,400	$2,032,900	$1,926,800	- $106,100	- 5.2%	- $27,600	- 1.4%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
PR	1.25	2.25	1.25	- 1.00	0.00
SEG	2.75	2.75	2.75	0.00	0.00
TOTAL	4.00	5.00	4.00	- 1.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	- $13,400
SEG	- 14,200
Total	- $27,600

Governor/Joint Finance: Provide adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits (-$7,400 PR and -$9,400 SEG annually); and (b) overtime costs ($700 PR and $2,300 SEG annually).

2. FORESTER POSITION [LFB Paper 465]

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Funding	Jt. Finance (Chg. to Gov) Positions	Net Change Funding	Net Change Positions
PR	$106,100	1.00	- $106,100	- 1.00	$0	0.00

Governor: Provide 1.0 forester position, budgeted at $46,000 in 2019-20 and $60,100 in

2020-21. The position would address invasive species prevention and eradication, and assist with timing of timber harvests at the Kickapoo Valley Reserve, which consists of approximately 8,600 acres of mostly forest and grassland. The position would be funded with program revenues, received primarily from timber harvests, agricultural lease payments, and educational programming.

Joint Finance: Delete provision.

LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$496,600	$334,500	$334,500	$0	0.0%	- $162,100	- 32.6%
PR	4,279,800	3,786,900	3,786,900	0	0.0	- 492,900	- 11.5
SEG	1,570,800	1,231,700	1,231,700	0	0.0	- 339,100	- 21.6
TOTAL	$6,347,200	$5,353,100	$5,353,100	$0	0.0%	- $994,100	- 15.7%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	0.80	0.80	0.80	0.00	0.00
PR	13.70	13.70	13.70	0.00	0.00
SEG	4.20	4.20	4.20	0.00	0.00
TOTAL	18.70	18.70	18.70	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $162,100
PR	- 492,900
SEG	- 339,100
Total	- $994,100

Governor/Joint Finance: Adjust the agency's base budget by -$81,300 GPR, -$247,900 PR, and -$170,000 SEG in 2019-20, and by -$80,800 GPR, -$245,000 PR, and -$169,100 SEG in 2020-21. The adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-$81,800 GPR, -$250,700 PR, and -$170,900 SEG annually); and (b) full funding of lease and directed moves costs ($500 GPR, $2,800 PR, and $900 SEG in 2019-20, and $1,000 GPR, $5,700 PR, and $1,800 SEG in 2020-21).

2. LABOR AND INDUSTRY REVIEW COMMISSION ADMINISTRATIVE ATTACHMENT

Governor: Transfer the administrative attachment for the Labor and Industry Review

Commission (LIRC) from the Department of Administration (DOA) to the Department of Workforce Development (DWD). LIRC would be attached to DWD under s. 15.03 of the statutes for limited administrative purposes, such as accounting, budget and general program management. Under current law and the bill, LIRC retains policy-making and adjudicatory functions prescribed to it by law. Also, LIRC's biennial agency budget request is to be forwarded to the Governor without change by the agency to which LIRC is attached, except instances in which LIRC agrees to any change.

Joint Finance: Delete provision.

LEGISLATURE

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$154,845,200	$153,921,000	$153,911,000	- $10,000	0.0%	- $934,200	- 0.6%
PR	4,526,400	4,813,500	4,813,500	0	0.0	287,100	6.3
TOTAL	$159,371,600	$158,734,500	$158,724,500	- $10,000	0.0%	- $647,100	- 0.4%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	758.17	758.17	758.17	0.00	0.00
PR	19.80	19.80	19.80	0.00	0.00
TOTAL	777.97	777.97	777.97	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $976,300
PR	56,100
Total	- $920,200

Governor/Joint Finance: Provide adjustments to the base totaling -$496,800 GPR and $25,500 PR in 2019-20 and -$479,500 GPR and $30,600 PR in 2020-21. Adjustments are for: (a) turnover reduction (-$900,800 GPR annually); (b) full funding of continuing position salaries and fringe benefits ($386,000 GPR and $17,000 PR annually); (c) full funding of lease and directed move costs ($18,000 GPR and $2,700 PR in 2019-20 and $35,300 GPR and $5,500 PR in 2020-21); (d) reclassification and semiautomatic pay progression ($5,800 PR in 2019-20 and $8,100 PR in 2020-21); and (e) minor transfers within the same alpha appropriation.

2. ACTUARIAL AUDIT SERVICES FOR BENEFIT PROGRAMS

PR	$231,000

Governor/Joint Finance: Provide the Legislative Audit Bureau $183,000 in 2019-20 and $48,000 in 2020-21 of one-time funding to contract for actuarial audit services related to the annual

audit of benefit programs administered by the Department of Employee Trust Funds. Under current law, the Legislative Audit Bureau is required to annually conduct a financial audit of the Department of Employee Trust Funds (ETF). Program revenue provided under the bill is supported by an assessment to ETF. Funding is provided under the bill on a one-time basis, and would, therefore, not be included in the base budget for the 2021-23 biennium.

3. ACTUARIAL STUDIES

GPR	$15,000

Governor/Joint Finance: Provide $15,000 in 2019-20 for the Joint Legislative Council contractual studies biennial appropriation to conduct actuarial studies approved by the Joint Survey Committee on Retirement Systems. The appropriation has no base funding in 2018-19.

4. MEMBERSHIP DUES IN NATIONAL ASSOCIATIONS

GPR	$27,100

Governor/Joint Finance: Provide $10,300 in 2019-20 and $16,800 in 2020-21 for dues to the National Conference of State Legislatures (NCSL) and the National Conference of Commissioners on Uniform State Laws (NCCUSL). Funding for membership dues is supported by a sum sufficient appropriation with base funding totaling $269,000 annually. Membership dues to NCSL total $216,800 in 2019-20 and $223,300 in 2020-21, while membership dues to NCCUSL are estimated to total $62,400 in 2019-20 and $62,400 in 2020-21.

5. LEGISLATIVE INTERVENTION

Governor: Repeal the 2017 Act 369 provision which provides that the Legislature must be served with a copy of the proceedings in an action when a party to the action, as part of a claim or affirmative defense, challenges in state or federal court the constitutionality of a statute, facially or as applied, challenges a statute as violating or preempted by federal law, or otherwise challenges the construction or validity of a statute. Further, repeal the provisions which provide that the Committee on Assembly Organization on behalf of the Assembly, the Committee on Senate Organization on behalf of the Senate, and Joint Committee on Legislative Organization on behalf of the Legislature may intervene as a matter of right at any time in all such actions.

Joint Finance: Delete provision.

6. ADVICE AND CONSENT OF THE SENATE FOR APPOINTMENTS

Governor: Repeal the provision of 2017 Act 369 which provides that, if an individual's confirmation for the office or position is rejected by the Senate, that individual may not hold the office or position, be nominated again for the office or position, or perform any duties of the office or position during the legislative session biennium.

Joint Finance: Delete provision.

7. RETENTION OF LEGAL REPRESENTATION FOR LEGISLATORS, LEGISLATIVE STAFF AND THE LEGISLATURE

Governor: Repeal 2017 Act 369 provisions and restore previous law with respect to the Legislature's retention of legal counsel.

Act 369 provisions authorize the appointment of legal counsel other than from the Department of Justice (DOJ) for legislators or legislative staff if the acts or allegations underlying the action are arguably within the scope of the legislator's or employee's duties as follows:

a. For the Assembly, the Speaker of the Assembly may authorize a Representative or Assembly employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's appropriation. The Speaker is required to approve all financial costs and terms of representation.

b. For the Senate, the Senate Majority Leader may authorize a Senator or Senate employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Senate's appropriation. The Senate Majority Leader is required to approve all financial costs and terms of representation.

c. For an employee of a legislative service agency, the Co-Chairs of the Joint Committee on Legislative Organization (JCLO) may authorize an employee of a legislative service agency who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's or Senate's appropriations, as determined by the Co-Chairs. The Co-Chairs are required to approve all financial costs and terms of representation.

Further, the Assembly, Senate, or JCLO on behalf of the Legislature, are authorized to obtain legal counsel other than from DOJ, in any action in which these bodies are a party or in which the interests of these bodies are affected in a similar manner.

Prior to Act 369, Representatives to the Assembly and Senators, as well as legislative employees, could receive legal representation from DOJ in most legal proceedings. Assembly and Senate policies and practices also allow legislators and legislative employees to retain outside legal counsel in some instances.

Joint Finance: Delete provision.

8. AGENCY PUBLICATIONS

Governor: Repeal the 2017 Act 369 requirement that a state agency (a board, commission, committee, department or officer in the state government, except the Governor, a District Attorney or a military or judicial officer) provide a federal or state statutory or administrative rule citation for any statement or interpretation of law that the agency makes in any publication, whether in print or on the agency's website, including guidance documents, forms, pamphlets, or other informational materials 60 days after the effective date. The provision to be repealed would take effect on the first day of the seventh month beginning after publication of Act 369 (July 1, 2019) and would not apply to the Board of Regents of the University of Wisconsin System, the Technical

College System Board and the Department of Employee Trust Funds.

Joint Finance: Delete provision.

9. ADMINISTRATIVE RULES

Governor: Repeal statutory modifications made in 2017 Act 369 related to administrative rules including: (a) deference to agency interpretations of law; (b) guidance documents; (c) rule-making authority for federal compliance plans and settlement agreements; (d) advisory committees and informal consultations; and (e) suspension of administrative rules.

a. *Deference*. Repeal the prohibition on a court from according deference to agency interpretations of law in certain proceedings and prohibit agencies from seeking deference in any proceeding to agency interpretations of law.

b. *Guidance Documents*. Repeal various requirements with respect to the adoption and use of guidance documents by agencies, including procedure requirements that agencies must comply with in order to adopt guidance documents. These requirements do not apply to the Board of Regents of the University of Wisconsin System, the Technical College System Board and the Department of Employee Trust Funds. A "guidance document" is defined as any formal or official document or communication issued by an agency, including a manual, handbook, directive, or informational bulletin, that: (a) explains the agency's implementation of a statute or rule enforced or administered by the agency, including the current or proposed operating procedure of the agency; or (b) provides guidance or advice with respect to how the agency is likely to apply any statute or rule enforced or administered by the agency, if that guidance or advice is likely to apply to a class of persons similarly affected.

c. *Rule-Making Authority for Federal Compliance Plans and Settlement Agreements*. Repeal the limitation that a settlement agreement, consent decree, or court order does not confer rule-making authority and cannot be used by an agency as authority to promulgate rules. Further, repeal the limitation that an agency may not agree to promulgate a rule as a term in any settlement agreement, consent decree, or stipulated order of a court unless the agency has explicit statutory authority to promulgate the rule at the time of the settlement agreement, consent decree, or stipulated order.

d. *Advisory Committees and Informal Consultations*. Repeal the requirement that whenever an agency appoints an advisory committee with respect to contemplated rule making, the agency submit a list of the members of the committee to the Joint Committee for Review of Administrative Rules.

e. *Suspension*. Repeal the ability of the Joint Committee for Review of Administrative Rules to suspend a rule multiple times.

Joint Finance: Delete provision.

10. LEGISLATIVE AND CONGRESSIONAL REDISTRICTING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,000	- $10,000	$0

Governor: Require the Legislative Reference Bureau (LRB) to draw legislative and congressional redistricting plans based upon procedures and standards specified in the bill and create a biennial appropriation for that purpose. Provide $10,000 in 2019-20 in the newly created appropriation.

Standards specified under the bill include that no district may be drawn for the purpose of: (a) favoring a political party; (b) incumbent legislator or member of Congress, or other person or group; or, (c) except to the extent necessary to meet the requirements of the Voting Rights Act, augmenting or diluting the voting strength of a language or racial minority group. The LRB is prohibited from using: (a) residence addresses of incumbent legislators or members of Congress; (b) political affiliations of registered voters; (c) previous election results; or, (d) except as necessary to meet the requirements of the Voting Rights Act, demographic information.

Establish a nonpartisan redistricting commission to oversee LRB's work in drawing redistricting plans and to perform certain tasks in the redistricting process. The commission would consist of five members. The Speaker and Minority Leader of the Assembly and the Majority and Minority Leaders of the Senate would each appoint one person to serve on the commission. The four appointed commissioners would then select a fifth commissioner to serve as chairperson. Prohibit the following individuals from being commission members: (a) individuals who are not eligible electors of this state at the time of the appointment; (b) individuals who hold partisan public office or political party office; and (c) individuals who are a relative of, or are employed by, a member of the legislature or of Congress or are employed directly by the Legislature or Congress.

If LRB requests, the commission would provide direction to the LRB concerning any decision LRB must make in preparing a redistricting plan. The bill permits the commission to establish policies limiting the information that LRB may provide to persons outside of LRB staff concerning any redistricting plan. However, the bill also provides that any draft maps, along with the data sets used to create the maps, which were produced in the course of preparing a redistricting plan would be open to the public and made available on the internet site of LRB after production. Further, provide that in preparing a redistricting plan, LRB must test the efficiency gap and competitiveness of each district and make the test results available to the public, including on its internet site.

After LRB submits a plan to the Legislature, the commission would hold public hearings on the plan and submit a report to the Legislature summarizing information and testimony received at the hearings. The bill would require either the Assembly or the Senate to bring the redistricting plan to a vote expeditiously, but not less than seven days after the report of the commission is received and made available to the members of the Legislature. The plan may not be amended. If the first plan fails to pass, the Legislature would submit to the LRB the reasons for why the plan

failed. The LRB then would submit a second plan that also may not be amended. If the second plan fails, the LRB would produce a third plan. The third plan may be amended, but the plan and all amendments to it may be passed only with the approval of three-fourths of all the members elected in each house.

Under the state constitution, the Legislature is directed to redistrict legislative districts according to the number of inhabitants at its next session following each decennial federal census. At the same intervals, the Legislature also reapportions congressional districts in this state pursuant to federal law. Under current law, following each decennial federal census, most municipalities are also required to divide their territory into wards. With limited exceptions, wards are required to consist of one or more whole, contiguous census blocks (the smallest geographic units for which census results are available). Traditionally, the Legislature has used municipal wards to construct legislative and congressional districts, although the Legislature may adjust the boundaries of a municipal ward and use the revised ward boundaries instead. Legislative and congressional redistricting plans enacted pursuant to this procedure are used to elect members of the Legislature and members of Congress in the fall of the second year following the year of the census. Under the bill, the Legislature would continue to have responsibility to enact legislation regarding redistricting.

Joint Finance: Delete provision.

LIEUTENANT GOVERNOR

Budget Summary							
				Joint Finance Change to:			
				Governor		Base	
Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Amount	Percent	Amount	Percent
GPR	$788,800	$975,900	$847,800	- $128,100	- 13.1%	$59,000	7.5%

FTE Position Summary					
		2020-21	2020-21	Joint Finance Change to:	
Fund	2018-19 Base	Governor	Jt. Finance	Governor	2018-19 Base
GPR	5.00	6.00	5.00	- 1.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$59,000

Governor/Joint Finance: Provide adjustments totaling $29,500 annually for full funding of continuing position salaries and fringe benefits.

2. OPERATIONS SUPPORT [LFB Paper 480]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$128,100	1.00	- $128,100	- 1.00	$0	0.00

Governor: Provide $54,900 in 2019-20 and $73,200 in 2020-21 and 1.0 position annually to provide operational support to the Lieutenant Governor. The position is intended to provide additional support related to scheduling and operations.

Joint Finance: Delete provision.

LOCAL REGULATION OF QUARRIES

1. LOCAL REGULATION OF NONMETALLIC MINING AT QUARRY OPERATIONS

Joint Finance: Limit the authority of political subdivisions to place limits or conditions on the operations of a quarry. A political subdivision would include a county, city, village, or town. The provisions would take effect on the general effective date of the bill, except as specified. Include the following provisions:

Definitions. Create the following definitions:

1. "Quarry" would mean the surface area from which nonmetallic minerals, including soil, clay, sand, gravel, and construction aggregate, that are used primarily for a public works project or a private construction or transportation project, are extracted and processed.

2. "Quarry operations" would mean the extraction and processing of minerals at a quarry site and all related activities, including blasting, vehicle and equipment access to the quarry site, and loading and hauling of material to and from the quarry site.

3. "Permit" would mean a form of approval granted by a political subdivision for the operation of a quarry.

4. "Nonconforming quarry site" would mean land on which a quarry existed lawfully before the quarry became a nonconforming use, including any contiguous parcel. The nonconforming status of any contiguous parcel would be subject to the requirement that, on a five-year rolling average, 75% of the quarry materials extracted from the contiguous parcel would be used for infrastructure-related projects, as determined by the quarry operator. If this 75% requirement is not met as to any contiguous parcel, the nonconforming status of the contiguous parcel may be suspended. The definition would not preclude a determination that a particular parcel is nonconforming under: (a) the current law definition of a nonconforming use, which means a use of land, a dwelling, or a building that existed lawfully before the current zoning ordinance was enacted or amended, but that does not conform with the use restrictions in the current ordinance; or (b) common law.

5. "Contiguous" would mean sharing a common boundary or being separated only by a waterway, section line, public road, private road, transportation right-of-way, or utility right-of-way.

6. "Contiguous parcel" would mean any parcel of land, up to a cumulative limit of 80 acres, that as of January 1, 2001, is: (a) contiguous to, and is located in the same political subdivision as, land on which a quarry existed lawfully before the quarry became a nonconforming use; (b) is under the common ownership, leasehold, or control of the person who owns, leases, or controls the land on which the quarry is located; and (c) is shown to have been intended for quarry operations prior to the effective date of the ordinance that rendered the use nonconforming. The provision would specify that if the contiguous parcel of land was commonly owned, leased, or

controlled on January 1, 2001, there would be a presumption that the contiguous parcel of land was intended for quarry operations prior to the effective date of the ordinance that rendered the use nonconforming.

Local Regulation of Quarry Operations. Specify that none of the new provisions may be construed to affect the authority of a political subdivision to regulate land use for a purpose other than the quarry operations, including the provisions related to permits, blasting, water quality or quantity, and air quality. Specify that none of these listed provisions may be construed to exempt a quarry from a regulation of general applicability placed by a political subdivision that applies to other property in the political subdivision that is not a quarry unless the regulation is inconsistent with the included provisions.

Create the following prohibitions and authorizations related to local regulation of quarry operations.

1. Except as provided in (2) and (3), authorize a political subdivision to require a quarry operator to obtain a zoning or nonzoning permit to conduct quarry operations.

2. Prohibit a political subdivision from requiring a quarry operator to obtain a zoning or nonzoning permit to conduct quarry operations unless, prior to the establishment of quarry operations, the political subdivision enacts an ordinance that requires the permit.

3. Prohibit a political subdivision from requiring a quarry operator to obtain a nonzoning permit to conduct quarry operations if the quarry operation operates under a previously issued zoning permit.

4. Specify that if a political subdivision enacts a nonzoning ordinance regulating the operation of a quarry that was not in effect when quarry operations began at a quarry, the limit would not apply to that quarry or to land that is contiguous to the land on which the quarry is located, is under the common ownership, leasehold, or control of the person who owns, leases, or controls the land on which the quarry is located, and is located in the same political subdivision.

5. Prohibit a political subdivision from adding conditions to a zoning or nonzoning permit during the duration of the permit, unless the permit holder consents.

6. Prohibit a political subdivision from enacting an ordinance that prohibits continued quarry operations at a nonconforming quarry site. Continued quarry operations would include conducting quarry operations in an area of a nonconforming quarry site in which quarry operations have not previously been conducted. This provision would not modify or limit an operator's reclamation obligations under a reclamation permit.

7. Specify that, if a political subdivision requires a quarry operator to comply with another political subdivision's ordinance as a condition for obtaining a zoning or nonzoning permit, the political subdivision that grants the permit may not require the quarry operator to comply with a provision of the other political subdivision's ordinance enacted after the permit is granted while the permit is in effect.

8. Prohibit a town from requiring, as a condition for granting a permit to a quarry operator, that the quarry operator satisfy a condition that a county requires in order to grant a permit that is imposed by a county ordinance enacted after the county grants a permit to the quarry operator. Prohibit a county from requiring, as a condition for granting a permit to a quarry operator, that the quarry operator satisfy a condition that a town requires in order to grant a permit that is imposed by a town ordinance enacted after the town grants a permit to the quarry operator.

2. LOCAL REGULATION OF BLASTING AT QUARRY OPERATIONS

Joint Finance: Create the following provisions related to local regulation of blasting at quarries:

Definition. "Affected area" would mean an area within a certain radius of a blasting site that may be affected by a blasting operation, as determined using a formula established by the Department of Safety and Professional Services (DSPS) by rule that takes into account a scaled-distance factor and the weight of explosives to be used. (Administrative code Chapter SPS 307.41(2) includes a scaled-distance formula calculation. In general, a scaled-distance formula is used to determine the maximum amount of explosives that can be used that ensures safety to structures within a certain distance of the blasting site.)

Allowances. Prohibit a political subdivision from limiting blasting at a quarry. Notwithstanding the prohibition, authorize a political subdivision to require the operator of a quarry to do any of the following: (1) provide pre-blast notice of the blasting operation to all political subdivisions in which the quarry is located and owners of dwellings or other structures within the affected area; (2) require that a pre-blast building survey be conducted by a third party on dwellings and other structures within the affected area; (3) require that pre-blasting well surveys and testing be conducted by a third party within the affected area; (4) provide evidence of insurance to each political subdivision in which any part of the quarry is located; (5) provide copies of blasting logs to each political subdivision in which any part of the quarry is located; (6) provide maps of the affected area to each political subdivision in which any part of the quarry is located; and (7) provide copies of any reports submitted to DSPS relating to blasting at the quarry.

Permit Suspension. Authorize a political subdivision to suspend a permit for a violation of the state blasting requirements under s. 101.15 of the statutes, and rules promulgated by DSPS related to blasting under s. 101.15 (2)(e), only if DSPS determines that a violation of the requirements or rules has occurred and only for the duration of the violation, as determined by DSPS. (Under s. 101.15, DSPS administers rules under Chapter SPS 307, which regulate blasting and use of explosives at nonmetallic mining sites.)

Local Orders. Prohibit a political subdivision from making or enforcing a local order that limits blasting at a quarry. As an exception to this prohibition, authorize a political subdivision to petition DSPS for an order granting the political subdivision the authority to impose additional restrictions and requirements related to blasting on the operator of a quarry. If DSPS issues the order, the order may grant the political subdivision the authority to impose restrictions and requirements related to blasting at the quarry that are more restrictive than the state blasting requirements under s. 101.15 of the statutes, and DSPS rules promulgated under s. 101.15. Prohibit DSPS from charging a fee for a

petition submitted by a political subdivision under this provision. Specify that, if a political subdivision submits a petition to DSPS because of concerns regarding the potential impact of blasting on a qualified historic building, DSPS would be authorized to require the operator of the quarry to pay the costs of an impact study related to the qualified historic building.

3. LOCAL REGULATION OF WATER QUALITY AND QUANTITY RELATED TO QUARRY OPERATIONS

Joint Finance: Prohibit a political subdivision from doing any of the following with respect to the operation of a quarry: (a) establish or enforce a water quality standard; (b) issue permits, including permits for discharges to the waters of the state, or any other form of approval related to water quality or quantity; (c) impose any restriction related to water quality or quantity; and (d) impose any requirements related to monitoring water quality or quantity.

Authorize a political subdivision to enforce properly adopted local water regulations. In addition, authorize a political subdivision to suspend a permit for a quarry operation for a violation of state law or rules promulgated by DNR relating to water quality or quantity, only if DNR determines that a violation of state law or rules has occurred and only for the duration of the violation, as determined by DNR.

Well Testing. Authorize a political subdivision to require the operator of a quarry to conduct and provide water quality and quantity baseline testing and ongoing water quality testing, to occur not more frequently than annually, of all wells within 1,000 feet of the perimeter of a quarry site when a new high-capacity well is added to an existing quarry site or a new quarry site is established. A testing requirement under this provision could not impose any standard that is more stringent than the standards for groundwater quality required by rules promulgated by the Department of Natural Resources (DNR). Authorize the political subdivision to request a report of well testing results within 30 days of the completion of testing and require the quarry operator to provide the results within that time. Specify any person offered the opportunity to have a well tested under this requirement, but who knowingly refuses testing, would waive any claim against a quarry operator related to the condition of the well, if within 90 days of the offer, the quarry operator records with the county Register of Deeds a written certification, verifying under oath that the person owning the property knowingly refused testing. Authorize a political subdivision that imposes a requirement to conduct any ongoing water quality or quantity testing of wells adjacent to existing quarry sites prior to the effective date of the budget act, to continue to do so.

4. LOCAL REGULATION OF AIR QUALITY AND FUGITIVE DUST RELATED TO QUARRY OPERATIONS

Joint Finance: Notwithstanding the current authorization in s. 285.73 of the statutes for local governments to administer certain air pollution control programs, prohibit a political subdivision from doing any of the following with respect to the operation of a quarry: (a) establish or enforce an ambient air quality standard, standard of performance for a new stationary source, or other emission limitation related to air quality; (b) issue permits or any other form of approval related to air quality; (c) impose any restriction related to air quality; or (d) impose any requirement related to monitoring air quality.

As exceptions to this prohibition, authorize a political subdivision to: (a) take actions related to air quality that are specifically required or authorized by state statute; (b) require the operator of a quarry to use best management practices to limit off-site fugitive dust; (c) enforce properly adopted fugitive dust regulations; or (d) suspend a permit for operation of a quarry for a violation of state law or rules promulgated by DNR relating to air quality, only if DNR determines that a violation of state statute or rules has occurred and only for the duration of the violation, as determined by DNR.

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
SEG	$459,400	$494,600	$494,600	$0	0.0%	$35,200	7.7%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
SEG	2.00	2.00	2.00	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

SEG	$35,200

Governor/Joint Finance: Provide $17,600 annually from the conservation fund (75% water resources and 25% forestry account) for full funding of continuing salaries and fringe benefits.

MARIJUANA-RELATED PROVISIONS

1. MEDICAL MARIJUANA OVERSIGHT AND REGULATION

A. Agriculture, Trade and Consumer Protection

Licensing of Cultivation, Dispensaries, and Testing Laboratories

Governor: Create a program within the Department of Agriculture, Trade and Consumer Protection's (DATCP) Division of Agricultural Resource Management that authorizes, licenses, and regulates dispensaries and other entities involved in the provision of cannabis and tetrahydrocannabinols (THC) for medical purposes within Wisconsin. Funding and positions related to the program are shown in an entry under "Agriculture, Trade and Consumer Protection."

a. Dispensaries and Cultivation. Define dispensary as a licensed entity that cultivates, acquires, manufactures, possesses, delivers, transfers, transports, sells, or dispenses cannabis, THC, paraphernalia, or related supplies and educational materials to treatment teams and other dispensaries. Provide that a dispensary may have two locations, one for cultivation or production, and one for distribution. Allow dispensaries or other entities authorized by Department rule and policy to cultivate cannabis, both indoors and outdoors. Require DATCP to provide licensing, regulation, record keeping, and security for dispensaries. "Security" is not defined, but the administration indicates it intends for DATCP to develop security guidelines with which dispensaries must comply to ensure the safety of the facility and proper controls over inventory. In addition to dispensaries, allow other entities authorized under Department rule and policy to possess, manufacture, deliver, and distribute THC for the purposes of supplying a dispensary. Require DATCP to develop such policies and security guidelines to authorize and regulate suppliers to grow and distribute cannabis and THC to dispensaries. Specify that any policies developed under this provision do not constitute rules for the purposes of administrative procedure and review, including as they pertain to rulemaking requirements under s. 227.10 stats.

b. Licensing. Require DATCP to issue dispensary licenses, but allow the Department to determine which and how many dispensaries receive a license. Specify that the Department will consider all of the following in its provision of licenses: (a) convenience and preference of caregivers and patients; (b) the ability of an applicant to provide sufficient quantities of THC; (c) the experience an applicant has in management of a nonprofit or business; (d) the preferences of local governments with jurisdiction in the applicant's area; (e) the ability of an applicant to keep records confidential and maintain a safe and secure facility; and (f) the ability of an applicant to abide by license requirements.

Prohibit the licensure of a dispensary that: (a) is located within 500 feet of an elementary or secondary school; (b) distributes cannabis or THC in a manner that results in the patient or primary caregiver possessing more than the legally allowable amount of 12 live cannabis plants or 3 ounces of usable cannabis at any given time; (c) possesses more plants or usable cannabis than the sum of all legally allowable amounts for any patients that are customers of the dispensary, plus an

acceptable amount, as determined by DATCP rule. Additionally, limit dispensary licenses to current residents of Wisconsin who have resided here for at least two years.

Require application for a dispensary license to be in writing on a form created by the Department. Specify that DATCP must approve or deny an application for a dispensary license within 60 days of receipt. Establish initial application and recurring annual fees for operation of a dispensary as determined by the Department, but not less than $250 and $5,000, respectively. Specify that a dispensary license is valid unless revoked. Further, specify that the license is only valid for use by the original applicant, and is not transferable or assignable to any other person.

c. Testing Laboratories. In addition to regulating dispensaries, require DATCP to register THC testing laboratories. Specify that such laboratories may possess and manufacture THC and drug paraphernalia. Further, require that such laboratories: (a) test cannabis and THC produced for dispensaries for potency, mold, fungus, pesticides, and other contaminants; (b) research findings related to medications that use THC, including any findings that identify potentially unsafe levels of contaminants; and (c) provide training to patients, caregivers, dispensary employees, and cultivators of cannabis and THC on: (1) the safe and efficient cultivation, harvest, packaging, labeling, and distribution of cannabis and THC; (2) security and inventory accountability procedures; and (3) the most recent research on medication with THC.

d. Distribution of Medical THC. Allow a dispensary to possess and manufacture THC and drug paraphernalia with an intent to deliver to a patient or primary caregiver. Allow a dispensary to distribute THC and drug paraphernalia to patients and primary caregivers, but require: (a) distribution to occur face-to-face; (b) that the dispensary receive a copy of the patient's written certification from a physician or otherwise authorized practitioner, or registry identification card provided by the Department of Health Services; and (c) that the THC is sourced from cannabis grown in Wisconsin as authorized by the Department. Require dispensaries to test all produced THC and cannabis for mold, fungus, pesticides, and other contaminants. Prohibit dispensaries from distributing THC or cannabis that contains mold, fungus, pesticides, or other contaminants if their concentration is identified by testing laboratories as being potentially unsafe for a patient's health.

e. Prohibition on Local Control. Specify that no town, village, city, or county may enact or enforce an ordinance or resolution that prohibits cultivation of THC or cannabis if the cultivation is by: (a) a dispensary licensed by the Department; (b) a person cultivating THC for medical use by themselves or the person for whom they are a primary caregiver in an amount not exceeding the legal amount of 12 live plants; or (c) a supplier that cultivates cannabis to distribute to a dispensary, as authorized under DATCP policy and promulgated rules.

f. Confidentiality. Specify that DATCP may disclose to a law enforcement agency only the information necessary to verify compliance of dispensaries, suppliers, testing laboratories, or other authorized entities with state law and Department rules and policy.

g. Rules. Allow DATCP to promulgate rules to administer its medical marijuana program. Provide that DATCP may promulgate emergency rules that would remain in effect until January 1, 2023, or the date on which permanent rules take effect, whichever is sooner. For the purposes of rulemaking under this provision, exempt the Department from the current law requirement to present evidence and determine emergency rulemaking is necessary for the public

peace, health, safety, or welfare.

h. *Funding.* Provide $35,000 GPR in 2019-20 and $150,700 PR annually with 1.5 PR positions to DATCP for licensing and regulatory functions. The fiscal estimate prepared by the Department of Health Services for 2017 Assembly Bill 482, which creates a comparable fee structure for dispensaries, estimates 10 dispensaries would be created in Wisconsin. Based on this estimate, application and annual licensing fees would be expected to generate at least $52,500 PR in 2019-20 and $50,000 PR in 2020-21 and annually thereafter.

Joint Finance: Delete provision.

B. Health Services

Medical Cannabis Registry

Governor: Create a medical cannabis registry program administered by the Department of Health Services (DHS), Division of Quality Assurance. Funding and positions relating to the program are summarized under "Health Services -- Departmentwide and Quality Assurance."

a. *Application for a Registry Identification Card.* Specify that an adult claiming to be a qualified patient may apply for a registry identification card by submitting to DHS all of the following: (a) a signed application form that contains the applicant's name, address, and date of birth; (b) a written certification; (c) the name, address, and telephone number of the applicant's current practitioner, as listed in the written certification; (d) a registration fee determined by DHS, but not less than $100; and (e) any information that DHS determines is necessary for a background check.

Specify that a person who is at least 21 years of age may apply for a card as a primary caregiver by submitting to DHS all of the following information: (a) a signed application form that contains the applicant's name, address, and date of birth; (b) a copy of a written certification or copy of a registration identification card for each qualifying patient for whom the applicant will be the primary caregiver; (c) a registration fee determined by the Department, but not less than $100; and (e) any information that DHS determines is necessary for a background check.

Require DHS to convey the information provided by an applicant to the Department of Justice, which must conduct a background check on the applicant. The background check must determine if the applicant has been convicted of a violent felony under state or federal law. If DOJ determines that the applicant has been convicted of such an offense, DHS must deny the application unless at least ten years has passed since the completion of any sentence imposed for the offense.

Require DHS to promulgate rules specifying how a parent, guardian, or person having legal custody of a child may apply for a registry identification card for the child and the circumstances under which DHS may approve or deny the application.

b. *Processing the Application*. Require DHS to verify the information submitted by an applicant to the registry and approve or deny the application within 30 days of receipt. Specify that

DHS may deny an application only if one of the following applies: (a) the applicant did not provide the required information or provided false information; (b) the applicant failed the background check; or (c) DHS is required to deny the application based on the rules it promulgated for applications for parents, guardians, or person's having legal custody of a child.

c. Issuance of a Registry Identification Card. Require DHS to issue a registry identification card within five days of approving an application. Specify that a registry identification card expires two years from the date of issuance. Specify that a registry identification card must contain all of the following information: (a) the name, address, and date of birth of the registrant and each primary caregiver or qualifying patient, if applicable; (b) the date of issuance and expiration of the card; (c) a photograph of the registrant; and (d) other information DHS may require by rule.

d. Fees and Additional Information to Be Provided By Registrant. Specify that primary caregivers must pay an annual fee determined by DHS, but not less than $250. Create a program revenue appropriation in DHS that would enable DHS to expend all moneys it receives to administer the registry program.

Require an adult registrant to notify DHS of any change in the registrant's name and address. Specify that an adult registrant who is a qualifying patient must notify DHS of any change in his or her practitioner, of any significant improvement in his or her health as it relates to his or her debilitating medical condition or treatment, and if a primary caregiver stops helping the registrant in the registrant's medication with tetrahydrocannabinols (THC). Require a registrant who is a primary caregiver to notify DHS if the registrant becomes a primary caregiver for an additional qualifying patient, and must include with the notice a copy of a written certification or copy of a registration identification card for each additional qualifying patient.

Specify that if a qualifying patient is a child, a primary caregiver for the child must provide DHS with any information that the child, if he or she were an adult qualifying patient, would have to provide above within ten days after the date of the change to which the information relates.

Specify that is the registrant fails to notify DHS within ten days of any change for which notification is requires, his or her registry identification card is void. Provide that if a qualifying patient's registry identification card becomes void, the registry identification card for each of the qualifying patient's primary caregivers with regard to that qualifying patient is void. Require DHS to send written notice of this fact to each such primary caregiver.

e. Definitions. For the purposes of the registry, define a "qualifying patient" as a person who has been diagnosed in the course of a bona fide practitioner-patient relationship as having or undergoing a debilitating medical condition or treatment.

Specify that a qualifying patient may be under the age of 18 only if the person's practitioner has explained the potential risks and benefits of medication with THC to the person and to a parent, guardian, or person having legal custody of the person, and the parent, guardian, or person having legal custody provides the practitioner a written statement consenting to do all of the following: (a) allow medication with THC for the person; (b) serve as a primary caregiver for the person; and (c) manage the person's medication with THC.

Define a "debilitating medical condition or treatment" as any of the following: (a) cancer, glaucoma, acquired immunodeficiency syndrome, a positive test for the presence of HIV, antigen or nonantigenic products of HIV, or an antibody to HIV, Crohn's disease, a hepatitis C virus infection, Alzheimer's disease, amytrophic lateral sclerosis, nail-patella syndrome, Ehlers-Danlos Syndrome, post-traumatic stress disorder, or the treatment of these conditions; (b) opioid abatement or reduction or treatment for opioid addiction; (c) a chronic or debilitating disease or medical condition or the treatment of such a disease or condition that causes cachexia, severe pain, severe nausea, seizures, including those characteristic of epilepsy, or severe and persistent muscle spasms, including those characteristic of multiple sclerosis; and (d) any other medical condition or any other treatment for a medical condition designated as a debilitating medical condition or treatment as determined by DHS.

Define a "practitioner" as a physician, advanced practice nurse, a physician assistant, or other person licensed, registered, certified, or otherwise permitted to distribute, dispense, conduct research with respect to, administer or use in teaching or chemical analysis a controlled substance in the course of professional practice or research in this state.

Define a "bona fide practitioner-patient relationship" as a relationship between the practitioner and the patient that includes all of the following: (a) an assessment of the patient's medical history and current medical condition by the practitioner, including an in-person physical examination if appropriate; (b) a consultation between the practitioner and the patient with respect to the patient's debilitating medical condition or treatment; and (c) availability by the practitioner to provide follow-up care and treatment to the patient, including patient examinations.

Define a "written certification" as a statement written by a person's practitioner for which all of the following apply: (a) it indicates that, in the practitioner's professional opinion, the person has or is undergoing a debilitating medical condition or treatment and the potential benefits of medication with THC would likely outweigh the health risks for the person; (b) it indicates that this opinion was made in the course of a bona fide practitioner-patient relationship; and (c) it is signed by the practitioner or is contained in the person's medical records.

Define "medication with THC" as any of the following: (a) the use of THC in any form by a qualifying patient to alleviate the symptoms or effects of the qualifying patient's debilitating medical condition or treatment; (b) the acquisition, possession, cultivation, or transportation of THCs in any form by a qualifying patient if done to facilitate his or her use of the THC; or (c) the acquisition, possession, cultivation, or transportation of THC in any form by a primary caregiver of a qualifying patient, the transfer of THC in any form between a qualifying patient and his or her primary caregivers, or the transfer of THC in any form between persons who are primary caregivers for the same qualifying patient if all of the following apply: (i) the acquisition, possession, cultivation, transportation, or transfer of the THC is done to facilitate the qualifying patient's use of THC; and (ii) it is not practicable for the qualifying patient to acquire, possess, cultivate, or transport the THC independently, or the qualifying patient is under 18 years of age.

f. Records. Require DHS to maintain a list of all registrants. Prohibit DHS from disclosing information from applications it receives or registration cards that it issues. Permit DHS to disclose, upon request of a law enforcement agency, only information necessary to verify that a person possesses a valid registry identification card.

g. Rules. Authorize DHS to promulgate rules to implement the registry program. Authorize DHS to promulgate emergency rules that would remain in effect until January 1, 2023, or the date on which permanent rules take effect, whichever is sooner, without meeting general statutory requirements relating to the promulgation of emergency rules.

h. Consideration of Registry Status in Determinations of Child Custody. Specify that in determining legal custody and periods of physical placement, and in all actions to modify legal custody or physical placement orders, the court may not consider as a factor in determining the legal custody of a child whether a parent or potential custodian holds, or has applied for, a registry identification card, is or has been the subject of a written certification, or is or has been a qualifying patient, or a primary caregiver, unless the parent or potential custodian's behavior creates an unreasonable danger to the child that can be clearly articulated and substantiated.

i. Funding and Positions. Provide $440,000 GPR in 2019-20 and $400,600 PR annually and 4.0 PR positions to DHS for administration of the registry.

Joint Finance: Delete provision.

C. Restrictions by Employers and Non-Discrimination in Housing

1. Employment Law

Governor: Specify that no employer is required to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or cultivation of medication with THC or usable cannabis in the workplace, and any employer may have a policy restricting the use of marijuana by its employees.

Joint Finance: Delete provision.

2. Fair Housing Laws and Wisconsin Housing and Economic Development Authority Assistance

Governor: Prohibit discrimination under the Wisconsin Fair Housing Law, the housing authorities law, the housing authority for elderly persons law, the urban redevelopment law, the blighted area law, and the blight elimination and slum clearance act based on whether a person holds, or has applied for, a registry identification card, has been the subject of a written certification, or is or has been a member of a treatment team.

Further, require that the Wisconsin Housing and Economic Development Authority prohibit discrimination by any housing development receiving its assistance based on whether a person holds, or has applied for, a registry identification card, has been the subject of a written certification, or is or has been a member of a treatment team.

Joint Finance: Delete provision.

D. General Fund Taxes -- Sales and Use Taxes

Impose Sales Tax on Medical Marijuana

Governor: Impose the state sales and use tax on retail sales of cannabis and tetrahydrocannabinols procured from a licensed dispensary (medical marijuana).

Under current law, an exemption is provided from the general sales and use tax for retail sales of prescription drugs. The provision would specify that this exemption does not apply for sales of medical marijuana. As a result, such sales would be subject to sales tax. The provision would take effect on the effective date of the bill. The administration estimates the provision would increase state tax revenues by $252,100 in 2019-20 and $504,200 in 2020-21 and annually thereafter.

Joint Finance: Delete provision.

E. General Fund Taxes -- Excise Taxes and Other Taxes

Dispensary Surcharge on Sales Of Medical Marijuana

Governor: Impose a surcharge at the rate of 10 percent of the total price of medical marijuana sold or otherwise dispensed by a dispensary licensed by DATCP to an unrelated person, including any charge by the dispensary that is necessary to complete the sale (dispensary surcharge). A dispensary would be considered related to another person if the two entities: (a) have significant common purposes and substantial common membership; or (b) directly or indirectly, have substantial common direction or control.

a. Determination of Total Price and Sale Restrictions. Under the bill, the total price subject to the dispensary surcharge could not be reduced by costs or expenses incurred by the dispensary, such as fees, delivery, freight, transportation, packaging, handling, marketing, taxes, and import fees or duties, regardless of whether such costs or expenses are separately stated on the invoice. The total price also could not be reduced by the value or cost of discounts or free promotional or sample products. A dispensary could not state the dispensary surcharge separately on an invoice or other similar document given to the purchaser or recipient of medical marijuana, and could not sell or otherwise dispense medical marijuana without first obtaining a business tax registration certificate from the Department of Revenue (DOR), as prescribed under current law.

b. Maintenance of Records and Returns. The bill would require every dispensary to keep accurate and complete records, in the manner prescribed by DOR, of all transactions involving the sale or disposition of medical marijuana. A dispensary would have to preserve all its records on the premises described in its business tax registration certificate in a manner sufficient to ensure the records' permanency and accessibility for inspection at reasonable hours by authorized DOR personnel. DOR would be allowed under the bill to inspect the business records of any dispensary doing business on a reservation or on an Indian tribe's trust land.

Each dispensary would be required to render a true and correct invoice of every sale and disposition of medical marijuana and, on or before the 15th day of each calendar month,

electronically file a verified report of all such sales and dispositions during the preceding calendar month. Each dispensary would have to collect and remit the dispensary surcharge together with the reports required by DOR.

Under the bill, DOR would have to prescribe reasonable and uniform methods for recordkeeping and making reports, and would have to prescribe and furnish the necessary report forms. If any dispensary fails to file a report when due, it would have to pay a late filing fee of $50. In addition, if DOR finds that the records of any dispensary are not kept in the prescribed form or are in such condition that an unusual amount of time is required to determine from them the amount of dispensary surcharge due, DOR would have to give notice of such fact to the dispensary and require that the dispensary revise its records and maintain them in the prescribed form. If the dispensary fails to comply with these recordkeeping requirements within 30 days, it would be required to pay the expenses reasonably attributable to a proper examination and pay for the surcharge determination at the rate of $30 per auditor per day. DOR would have to send a bill for the related expenses, and the dispensary would have to pay the amount of the bill within 10 days.

c. Confidentiality Provisions. The provisions relating to confidentiality of income and franchise tax returns that apply under current law would apply under the bill to any information obtained from: (a) any person on a dispensary surcharge return, report, schedule, exhibit, or other document; or (b) an audit report pertaining to the return, report, schedule, exhibit, or document. The exception to this provision would be that DOR would have to publish on its Internet site, at least quarterly, a current list of business tax registration certificates issued to dispensaries and would have to include on the list the name and address of the certificate holder and the date on which DOR issued the certificate.

d. Administrative Provisions. The provisions that apply to the cigarette tax under current law regarding appeals, other refunds, seizure and confiscation, and administration and enforcement would also apply to the dispensary surcharge. If a dispensary fails to pay the surcharge, authorized DOR personnel could search the premises of the dispensary, with the assistance of any law enforcement officer within his or her jurisdiction, to seize any personal property or cash for payment of the unpaid surcharge. Duly authorized DOR employees would have all necessary police powers to prevent violations concerning the surcharge. The provisions on timely filing as they apply to income and franchise taxes under current law would apply to the surcharge, and the provisions regarding the placement of security bonds to insure tax liability as they apply to the motor vehicle fuel tax under current law would apply to the surcharge.

e. Interest and Penalties. Several current law provisions on interest and penalties, as they govern the cigarette tax, would apply to the dispensary surcharge under the bill. These include penalties for: (a) filing false or fraudulent reports; (b) failing to maintain required records; (c) refusing to permit authorized examinations or inspections; and (d) violating DOR rules. These also include interest provisions that state: (1) unpaid taxes bear interest at the rate of 12 percent per year, and refunded taxes bear interest at three percent per year; (2) all non-delinquent payments of additional amounts owed are applied first to penalties, then to interest, then to tax principal; (3) delinquent taxes bear interest at the rate of 1.5 percent per month; and (4) if a return is filed incorrectly due to neglect, the entire tax due is subject to a penalty of 25 percent of the entire tax,

exclusive of interest or other penalties. Moreover, any person who violates the bill's provision on collection and remittance of the surcharge could be fined not more than $10,000 or imprisoned for not more than nine months or both.

If a person fails to file any return or report required under the bill by the due date, unless the person shows that the failure was owing to reasonable cause and not to neglect, DOR would have to add to the amount of the surcharge required to be shown on that return five percent of the amount of the surcharge if the failure is for not more than one month, and an additional five percent of the surcharge for each additional month or fraction of a month during which the failure continues, but not more than 25 percent of the surcharge. The amount of the surcharge required to be shown on the return would be reduced by the amount of: (a) surcharge that is paid on or before the due date; and (b) any credit against the surcharge that may be claimed on the return.

f. Personal Liability Provisions. Any officer, employee, fiduciary, or agent who is responsible for paying the dispensary surcharge and any interest, penalties, or other related charges incurred by another person (where person is defined under current law governing the general sales and use tax) is personally liable for the surcharge and any interest, penalties, or other related charges. The procedures for petitions and appeals as they apply to income or franchise tax assessments under current law also would apply to appeals of surcharge assessments.

g. Prosecutions and Rulemaking Authority. Upon request by the Secretary of DOR, the Attorney General may represent Wisconsin or assist a district attorney in prosecuting any case regarding the dispensary surcharge. In addition, DOR would be required to promulgate any rules necessary for the administration of the surcharge, including emergency rules. Notwithstanding current law provisions that limit the time during which an emergency rule is effective, the bill would stipulate that emergency rules concerning the surcharge would remain in effect until January 1, 2023, or the date on which permanent rules take effect, whichever is sooner. Moreover, DOR would not be required to provide: (a) evidence that promulgating an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare; or (b) a finding of emergency for the promulgation of an emergency rule.

h. Revenues. These provisions would take effect on the effective date of the bill. The administration estimates the dispensary surcharge would increase state tax revenues by $504,200 in 2019-20 and $1,008,300 in 2020-21 and annually thereafter.

Joint Finance: Delete provision.

F. Criminal Procedure and Process

1. Marijuana Ordinance Violations

Governor: Modify statutory language to prohibit a county board or municipality from enacting and enforcing an ordinance to criminalize the possession of 25 grams of marijuana or less. Under current law, county boards and municipalities may enact and enforce ordinances to prohibit the possession of marijuana in any amount (excluding cannabinol in a form without psychoactive effect that is dispensed by an approved pharmacy or physician or possessed with proper certification, or THC contained in fiber produced from the stalks, oil, or cake made from

the seeds of a cannabis plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, cake, or the sterilized seed of a cannabis plant incapable of germination), and provide a forfeiture for a violation of the ordinance, except that an individual may not be prosecuted for an ordinance violation if a complaint is issued regarding an allegation of possession of more than 25 grams of marijuana, or possession of more than 25 grams of marijuana (as modified under the bill) following a Wisconsin conviction for possession of marijuana, unless the charges for violating the state statute are dismissed or the district attorney declined to prosecute the case (for county and municipality ordinances) and the city, village, or town with jurisdiction over the action has no ordinance enacted in effect, has declined to prosecute the case, or has the charges dismissed (for county ordinances).

Create statutory language to exempt an individual from prosecution for a county or municipal ordinance violation of possession or attempted possession of more than 25 grams of marijuana or more than two plants containing THC if the individual can raise a valid medical use defense. Create statutory language to exempt an individual from prosecution for a county or municipal ordinance violation of use of drug paraphernalia or possession with the primary intent to use drug paraphernalia, delivery, possession with intent to deliver, or manufacture with intent to deliver drug paraphernalia, or delivery of drug paraphernalia to a minor, if the individual can raise a valid medical THC defense or the individual is an employee of a licensed dispensary or testing laboratory, complying with statutory operating procedures and rules, acting in good faith under the medical cannabis laws.

Create statutory language to exempt an individual from prosecution for a county or municipal ordinance violation of possession or attempted possession of more than 25 grams of marijuana or more than two plants containing THC if, unless or the individual is unable to raise a valid medical use defense, the individual is a member of a qualifying patient's treatment team, possessing or possessing with intent to manufacture, distribute, or deliver THC or a THC analog, if all of the following apply: (a) the member manufactures, distributes, delivers, or possesses THC for medication with THC by the treatment team; (b) the member possesses a valid registry identification card, out-of-state registry identification card, or a copy of the qualifying patient's written certification; (c) the quantity of cannabis does not exceed the maximum amount of cannabis allowed by statute; (d) any live cannabis plants are in a lockable, enclosed facility, unless the member is accessing the plants or has the plants in his or her possession; and (e) the member is not a primary caregiver to more than 10 qualifying patients, or, if the individual is an employee of a licensed dispensary or testing laboratory, complying with statutory operating procedures and rules, acting in good faith under the medical cannabis laws.

Joint Finance: Delete provision.

2. Medical Cannabis Defenses, Definitions, and Limitations on Arrest and Prosecution

Governor: In connection with limitations on arrest and prosecution for medical cannabis, utilize the following statutory definitions related to medical cannabis created under the bill: (a) lockable, enclosed facility; (b) maximum authorized amount; (c) medication with tetrahydrocannabinols; (d) out-of-state registry identification card; (e) primary caregiver; (f) qualifying patient; (g) registry identification card; (h) treatment team; and (i) written certification.

Create statutory language to allow a member of a qualifying patient's team or a practitioner to avoid arrest or prosecution for violation of certain THC offenses, and provide a penalty for false statements in relation to those offenses, as follows:

a. Possession or Possession with Intent to Manufacture, Distribute, or Deliver THC. Unless a member of a qualifying patient's treatment team cannot assert the medical use defense, a member of a qualifying patient's treatment team may avoid arrest or prosecution for possession or possession with intent to manufacture, distribute, or deliver THC or a THC analog, if all of the following apply: (a) the member manufactures, distributes, delivers, or possesses THC for medication with THC by the treatment team; (b) the member possesses a valid registry identification card, out-of-state registry identification card, or a copy of the qualifying patient's written certification; (c) the quantity of cannabis does not exceed the maximum amount of cannabis allowed by statute; (d) any live cannabis plants are in a lockable, enclosed facility, unless the member is accessing the plants or has the plants in his or her possession; and (e) the member is not a primary caregiver to more than 10 qualifying patients.

b. Drug Paraphernalia Use or Possession with Intent to Use. Unless a member of a qualifying patient's treatment team cannot assert the medical use defense, a member of a qualifying patient's treatment team may avoid arrest or prosecution for drug paraphernalia use or possession with the primary intent to use to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale or otherwise introduce into the human body a controlled substance or controlled substance analog, if the member uses, or possesses with the primary intent to use, drug paraphernalia only for medication with THC, and if the member satisfies the qualifications of (b) to (e), above.

c. Drug Paraphernalia Manufacture or Delivery. Unless a member of a qualifying patient's treatment team cannot assert the medical use defense, a member of a qualifying patient's treatment team may avoid arrest or prosecution for drug paraphernalia delivery, possession with intent to deliver, or manufacture with intent to deliver, knowing that it will be primarily used to plant, propagate, cultivate, grow, harvest, manufacture compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale or otherwise introduce into the human body a controlled substance or controlled substance analog, if the member delivers, possesses with intent to deliver, or manufactures with intent to deliver to another member of his or her treatment team, drug paraphernalia, knowing that it will primarily be used by the treatment team for medication with THC, and if the member satisfies the qualifications of (b) to (e), above.

Specify that a practitioner may not be arrested and a practitioner, hospital, or clinic may not be subject to prosecution, denied any right or privilege, or penalized in any manner for making or providing a written certification in good faith. Further, specify that an employee of a licensed dispensary or testing laboratory, complying with statutory operating procedures and rules, may not be arrested, prosecuted, denied any right or privilege, or penalized in any manner for any good faith action under the medical cannabis laws.

Establish a penalty of not more than a $500 fine for intentionally providing false information to a law enforcement officer in an attempt to avoid arrest or prosecution in the circumstances

identified above for violation of certain THC and drug paraphernalia offenses.

d. Defenses. Create statutory language that allows for a member of a qualifying patient's treatment team to assert a defense to prosecution for manufacturing or possessing with intent to manufacture THC, if all of the following apply: (a) the manufacture or possession is by the treatment team for medication with THC; (b) the amount of cannabis does not exceed the maximum authorized amount; (c) any live cannabis plants are in a lockable, enclosed facility unless a member of a qualifying patent's treatment team is accessing the plants or has the plants in his or her possession; and (d) the member is not a primary caregiver to more than 10 qualifying patients.

Create statutory language that allows for a member of a qualifying patient's treatment team to assert a defense to prosecution for distribution or delivery, or possession with intent to distribute or deliver, THC to another member of the treatment team if the distribution, delivery, or possession is by the treatment team for medication with THC, and if the member satisfies the qualifications of (b) to (d), above.

Create statutory language that specifies a member of a qualifying patient's treatment team has a defense to prosecution for possession or attempted possession of THC if the possession or attempted possession is by the treatment team for medication with THC, and if the member satisfies the qualifications of (b) to (d), above. Create an exception for this statutory provision to assert that a person may not raise a medical use defense if, while he or she possesses or attempts to possess THC, any of the following applies: (a) the person drives or operates a motor vehicle while under the influence of THC; (b) the person operates heavy machinery or engages in any other conduct that endangers the health or well-being of another person while under the influence of THC; (c) the person smokes cannabis in, on, or at any of the following places - a school bus, public transit vehicle, the person's place of employment, public or private school grounds, a correctional facility, a public park, beach, or recreation center, or a youth center.

Create statutory language that specifies a valid registry identification card, a valid out-of-state registry identification card, or a written certification is presumptive evidence that the person identified on the card as a qualifying patient or the subject of the written certification is a qualifying patient and that, if the person uses THC, he or she does so to alleviate the symptoms or effects of a debilitating medical condition or treatment. This is an exception to current law, which specifies that it is not necessary for the state to disprove any exemption or exception in the Uniform Controlled Substances Act in any complaint, information, indictment, or other pleading in any trial, hearing, or other proceeding under the Act, and that the burden of proof for any exemption or exception is on the person claiming the exemption or exception.

Create statutory language that specifies a member of a treatment team has a defense to prosecution for possession of drug paraphernalia if he or she uses, or possesses with the primary intent to use, drug paraphernalia for medication with THC. This section does not apply if, while the persons uses or possesses with the primary intent to use drug paraphernalia, the person does not meet the qualifications for the medical use defense.

Create statutory language that specifies a member of a treatment team has a defense to prosecution for delivery, possession with intent to deliver, or manufacture with intent to deliver

drug paraphernalia, or delivery of drug paraphernalia to a minor, if he or she delivers, possesses with intent to deliver, or manufactures with intent to deliver drug paraphernalia to another member of his or her treatment team, drug paraphernalia, knowing that it will be primarily used by the treatment team for medication with THC.

Create statutory language that allows any person to petition the Department of Health Services to promulgate a rule to designate a medical condition or treatment as a debilitating medical condition or treatment. Upon petition, the Department will promulgate rules and provide public notice, comment, and a hearing. The Department is required to approve or deny the petition no later than 180 days after the submission of the petition. The decision is subject to judicial review.

Create statutory language to specify that a person who was in possession of seized property when it was seized has a defense to the forfeiture of the property if any of the following apply: (a) the person was prosecuted for a marijuana-related offense but can assert a valid medical use defense in cases involving THC or valid medical THC defense in drug paraphernalia cases; or (b) the person was not prosecuted for the marijuana-related offense in connection with the seized property, but if the person had been, he or she could assert a valid medical use defense in cases involving THC or valid medical THC defense in drug paraphernalia cases. If the owner of the seized property raises a defense in answering the complaint, the state must prove that the facts constituting the defense do not exist. This is an exception to current law, which specifies that it is not necessary for the state to disprove any exemption or exception in the Uniform Controlled Substances Act in any complaint, information, indictment, or other pleading in any trial, hearing, or other proceeding under the Act, and that the burden of proof for any exemption or exception is on the person claiming the exemption or exception.

Joint Finance: Delete provision.

3. Probable Cause Determination for Medical Cannabis

Governor: Create statutory language that specifies a person's possession, use, or submission of or connection with an application for a registry identification card, the issuance of such a card, or a person's possession of such a card, a valid out-of-state registry identification card, or an original or a copy of a written certification authorized by statute, may not, by itself, constitute probable cause or otherwise subject any person or the property of any person to inspection by any governmental agency.

Joint Finance: Delete provision.

4. Seized Property

Governor: Modify statutory language to specify that a law enforcement agency that has seized a live cannabis plant is not responsible for the plant's care and maintenance. Aside from the created exception, current law remains that property seized under a search warrant or validly seized without a warrant will be safely kept by the officer, who may leave it in the custody of the sheriff and take a receipt, so long as necessary for the purpose of being produced as evidence in any trial.

Modify statutory language to remove the exemptions for property a court is required to

return to the owner (including animals held for cause, firearms and other dangerous weapons, ammunition, and certain evidence) once right of possession is proved to the court's satisfaction and the court finds at least one of the following: (a) it is likely that the final judgement will be that the state must return the property to the claimant and the property is not reasonably needed as evidence or for other investigatory reasons or, if needed, satisfactory arrangements can be made for its return for subsequent use; (b) the property is the only reasonable means for a defendant to pay for legal representation in the forfeiture or criminal proceeding, the property is not likely to be needed for payment of victim compensation, restitution, or fines, and the property is not reasonably needed as evidence or for other investigatory reasons. If the court makes this finding, it may order the return of funds or property sufficient to obtain legal counsel but less than the total amount seized and require an accounting; and (c) all proceedings and investigations in which it might be required have been completed.

Create statutory language that specifies the return of seized property does not apply to held animals for cause, firearms and other dangerous weapons, ammunition, animal fighting, and certain evidence, except that the court may return seized drug paraphernalia or THC if the person from whom drug paraphernalia or THC was seized can assert a medical use defense in THC cases or medical THC defense in drug paraphernalia cases. [Note that the exception for animal fighting was inadvertently included in this section of the bill.]

Create statutory language that clarifies "drug paraphernalia" and "tetrahydrocannabinols" have the same meaning under the Governor's budget bill as was given for these terms in existing Chapter 961 of the statutes.

Create statutory language that adds a valid registry identification card, valid out-of-state-registry identification card, or written certification to the list of items constituting authority to avoid seizure and forfeiture. Under current law, a person in occupancy or control of land or premises upon which species of planted or cultivated plants from which schedules I and II controlled substances may be derived, must produce proof that the person is a holder of appropriate federal registration or proof that the person is growing or storing plants in accordance with industrial help requirements, upon demand by any officer or law enforcement employee, to avoid forfeiture and seizure of the plants.

Joint Finance: Delete provision.

2. DECRIMINALIZATION, EXPUNGEMENT, AND DISMISSAL OF CERTAIN MARIJUANA OFFENSES

Governor: Modify current law related to certain marijuana offenses, as follows:

a. Penalties for Marijuana -- 25 grams or Less. Remove the statutory penalties for possession, possession with intent to manufacture, distribute, or deliver, and distribution or delivery of marijuana in amounts of 25 grams or less or two plants containing tetrahydrocannabinols (THC) or less. Under current law, it is a Class I felony (maximum sentence of 18 months in prison and two years extended supervision) to possess, possess with intent to manufacture, distribute, or deliver, and to distribute or deliver marijuana in amounts of 200 grams

or less or four or fewer plants containing THC.

Modify statutory language to specify that persons who possess or attempt to possess more than 25 grams of THC or a THC analog may be fined not more than $1,000 or imprisoned not more than six months, or both, for a first-offense, and are guilty of a Class I felony for a second or subsequent offense. Modify statutory language to specify that persons who manufacture, distribute, or deliver marijuana in amounts of more than 25 grams but not more than 200 grams, or more than two but not more than four plants containing THC, are guilty of a Class I felony. Under current law, any amount of THC or THC analog, including amounts of 25 grams or less, is subject to the penalty structure described, above.

Create statutory language to specify that a person who is at least 17 years old and distributes or delivers marijuana in amounts of 25 grams or less or two plants containing THC or less to a person who is no more than 17 years old and who is at least three years younger than the person distributing or delivering is guilty of a Class I felony. This would be an exception to current law, which specifies that a person 17 years of age and over, distributing or delivering a controlled substance or controlled substance analog to a person 17 years of age or under who is at least three years his or her junior, may have his or her maximum term of imprisonment sentence increased by five years or less.

b. Probable Cause and Weight for Marijuana Offenses. Repeal the statutory title, "penalty relating to tetrahydrocannabinols in certain cases" and recreate the title to read "tetrahydrocannabinols penalty and probable cause."

Create statutory language that would prohibit establishing probable cause that a person is violating a THC offense or THC analog offense by an odor of marijuana or by the possession of not more than 25 grams of marijuana. Specify that an individual on parole, probation, extended supervision, supervised release, or any other release may not be revoked for possessing 25 grams of marijuana or less.

Modify statutory language to provide that only the weight of the marijuana may be considered when determining the weight or amount of tetrahydrocannabinols. Under current law, the weight or amount of THC or THC analog means the weight of the THC or THC analog together with any compound, mixture, diluent, plant material, or other substance mixed or combined with the THC or THC analog. In addition, current law specifies that THC means any form of THC (including THC contained in marijuana, obtained from marijuana, or chemically synthesized, except that THC does not include cannabinol in a form without psychoactive effect that is dispensed by an approved pharmacy or physician or possessed with proper certification, or THC contained in fiber produced from the stalks, oil, or cake made from the seeds of a cannabis plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, cake, or the sterilized seed of a cannabis plant incapable of germination) and includes the weight of any marijuana.

c. Expungement or Dismissal of Certain Marijuana Convictions. Create statutory language that allows a person serving a sentence or on probation to request dismissal or expungement of marijuana-related convictions if the sentence or probation period was imposed for a conviction on a tetrahydrocannabinols violation and the person proves to the court that it is more

likely than not that the amount of marijuana involved was 25 grams or less, or two plants containing THC or less (if applicable). Expungement and dismissal are not defined under the bill. However, as generally understood, expungement is the removal of a conviction from a person's criminal record, while dismissal is the termination of a conviction, or the termination of an action or claim without further hearing. Offenses to which this provision would apply include felony manufacture, distribution, or delivery, felony possession with intent to manufacture, distribute, or deliver, and misdemeanor or felony possession.

Establish a process for dismissal or expungement whereby an eligible person may file a petition with the sentencing court to request dismissal or expungement of the conviction. If the court receiving a petition determines that the person is eligible for dismissal or expungement, the court may grant the petition with or without a hearing. If a hearing is scheduled, the court would be required to grant the petition, unless the person cannot prove the amount of marijuana involved was 25 grams or less or the court determines that dismissal of the conviction presents an unreasonable risk of danger to public safety.

Create statutory language to specify that a marijuana conviction that has been expunged or dismissed is not considered a conviction under state or federal law, including for the purpose of possession of a firearm.

Joint Finance: Delete provision.

MEDICAL COLLEGE OF WISCONSIN

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$19,973,200	$23,873,200	$22,386,200	- $1,487,000	- 6.2%	$2,413,000	12.1%
PR	495,000	495,000	495,000	0	0.0	0	0.0
TOTAL	$20,468,200	$24,368,200	$22,881,200	- $1,487,000	- 6.1%	$2,413,000	11.8%

FTE Position Summary

The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, state-aided institution governed by a Board of Trustees.

Budget Change Items

1. DEBT SERVICE REESTIMATE

GPR	$413,000

Governor/Joint Finance: Provide $155,600 in 2019-20 and $257,400 in 2020-21 for a reestimate of debt service.

2. FAMILY MEDICINE RESIDENCY PROGRAM [LFB Paper 495]

GPR	$2,000,000

Governor/Joint Finance: Provide $1,000,000 annually to expand MCW's family medicine residency training program. Base funding for the program is $4,611,400 annually. Based on information from MCW, funding provided under the bill would be used to stabilize and expand both the Mosaic Family Health Fox Valley Medicine Residency program in Appleton, as well as Prevea Health, and Hospital Sisters Health System - Sacred Heart Hospital Eau Claire Family Medicine Residency Program in Eau Claire. Currently, MCW's Department of Family and Community Medicine has affiliations with both programs and provides financial support and expertise to assist in hiring academic faculty, staff, and residents. Additional funding would allow MCW to hire approximately three additional full-time equivalent faculty between the two programs to meet accreditation standards, and allow for increased residency rotation opportunities.

3. MEDICAL STUDENT TUITION ASSISTANCE [LFB Paper 496]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,487,000	- $1,487,000	$0

Governor: Provide $743,500 annually for additional funding for medical student tuition assistance. The administration indicates this would fund Wisconsin resident MCW tuition assistance at the 2014-15 academic year level of $5,057 per student. In 2018-19, there were 528 Wisconsin residents attending MCW. Base level funding for tuition assistance is $1,926,600 annually.

Joint Finance: Delete provision.

MILITARY AFFAIRS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$55,899,800	$59,065,300	$61,433,400	$2,368,100	4.0%	$5,533,600	9.9%
FED	147,464,000	152,818,300	152,818,300	0	0.0	5,354,300	3.6
PR	17,473,200	14,644,000	17,168,800	2,524,800	17.2	- 304,400	- 1.7
SEG	16,200,600	4,361,800	18,247,000	13,885,200	318.3	2,046,400	12.6
TOTAL	$237,037,600	$230,889,400	$249,667,500	$18,778,100	8.1%	$12,629,900	5.3%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	81.83	82.08	82.08	0.00	0.25
FED	394.35	390.90	390.90	0.00	- 3.45
PR	45.12	41.12	45.12	4.00	0.00
SEG	2.00	0.00	3.00	3.00	1.00
TOTAL	523.30	514.10	521.10	7.00	- 2.20

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$370,400	0.00
FED	4,724,700	- 4.00
PR	- 304,400	0.00
SEG	- 77,800	0.00
Total	$4,712,900	- 4.00

Governor/Joint Finance: Provide adjustments to the base totaling $185,000 GPR, $2,360,600 FED and -3.0 FED positions, -$152,700 PR, and -$38,900 SEG in 2019-20 and $185,400 GPR, $2,364,100 FED and -4.0 FED positions, -$151,700 PR, and -$38,900 SEG in 2020-21. Adjustments are for: (a) turnover reduction (-$131,700 GPR and -$354,500 FED annually); (b) removal of non-continuing elements from the base (-3.0 FED positions in 2019-20 and -4.0 FED positions in 2020-21); (c) full funding of continuing position salaries and fringe benefits ($270,800 GPR, -$167,100 PR, $2,415,500 FED, and -$38,900 SEG annually); (d) reclassifications and semiautomatic pay progression ($8,800 GPR and $6,100 FED annually); (e) overtime ($35,200 GPR, $9,700 PR, and $383,700 FED annually); (f) full funding of lease and directed moves costs ($1,900 GPR, $4,700 PR, and -$90,200 FED in 2019-20 and

$2,300 GPR, $5,700 PR, and -$86,700 FED in 2020-21); and (g) minor transfers within the same alpha appropriation associated with National Guard general program operations and the operation and maintenance of military facilities for the Army National Guard and Air National Guard.

2. OFFICE OF EMERGENCY COMMUNICATIONS TRANSFER TO DOT [LFB Paper 500]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	0.00	$1,868,100	0.00	$1,868,100	0.00
FED	- 32,000	- 0.20	0	0.00	- 32,000	- 0.20
PR	- 2,524,800	- 4.00	2,524,800	4.00	0	0.00
SEG	- 13,761,000	- 2.00	13,885,200	3.00	124,200	1.00
Total	- $16,317,800	- 6.20	$18,278,100	7.00	$1,960,300	0.80

Governor: Modify current law related to the Office of Emergency Communications (OEC), as follows:

Transfer functions associated with the OEC from DMA to DOT. Transfer the Interoperability Council, the Wisconsin Interoperable System for Communications (WISCOM), the 911 Subcommittee, Next Generation 911 (NG911), the Public Safety Broadband program, and the Land Mobile Radio Program from the Department of Military Affairs (DMA) to the Department of Transportation (DOT). The bill would transfer all assets and liabilities, tangible personal property, pending matters, and contracts from DMA to DOT, as determined by the Secretary of the Department of Administration. The bill would also transfer the authority to appoint a director of emergency communications from the Adjutant General to the Secretary of DOT.

Transfer appropriations associated with the OEC from DMA to DOT. Transfer the following annual appropriations, as well as funding and position authority, from DMA to DOT's motor vehicle services and enforcement program: (a) DMA's interoperable communications system [$1,262,400 PR and 4.0 PR positions annually]; (b) DMA's Interoperability Council [$240,900 SEG in 2019-20 and $244,300 SEG in 2020-21 and 3.0 SEG positions annually]; (c) DMA's public safety interoperable communication system, general usage fees [no funding or position authority]; and (d) DMA's public safety interoperable communication system, state fees [no funding or position authority]. While the bill transfers position authority and funding for 4.0 PR and 3.0 SEG positions, the bill does not include the transfer of incumbent employees. In addition, the bill transfers the NG911 appropriation [base funding of $6,700,000 SEG] from DMA to DOT. However, while the bill deletes funding in DMA, funding was inadvertently not provided for NG911 under DOT. [See the NG911 section below for additional information.]

Increase funding and position authority for emergency communications by $44,400 and 0.8 positions in 2019-20 [-$16,000 FED and -0.2 FED positions, and $60,400 SEG and 1.0 SEG position], and $47,800 and 0.8 positions in 2020-21 [-$16,000 FED and -0.2 FED positions, and $63,800 SEG and 1.0 SEG position]. The Budget in Brief indicates that the position, funded from the Police and Fire Protection Fund, is to be "utilized as the Wisconsin Public Safety

Broadband/FirstNet subject matter expert." This newly created position is one of the three SEG positions transferred to DOT above.

Revenues for the Police and Fire Protection Fund are generated by a phone service surcharge imposed on two types of transactions: (a) a fee of $0.38 on each retail transaction for prepaid wireless telecommunications plans; and (b) a monthly fee of $0.75 on each voice communications connection with an assigned telephone number. Payments to the shared revenue program from the Police and Fire Protection Fund were estimated to be $45 million in 2018-19.

Interoperability Council. Provide that DOT, instead of DMA, provide staff support to the Council. Under current law, the 15-member Council is comprised of various state executives and local officials and is generally charged with making recommendations and providing advice for the purpose of achieving a statewide interoperable communication system. Base funding for the Council is $212,600 SEG, funded by the Police and Fire Protection Fund. The bill would not modify the funding source for the Council.

WISCOM. Transfer oversight of the development and operation of a statewide public safety interoperability communication system (more commonly referred to as WISCOM) from DOT to DMA. Provide that the Interoperability Council assist and advise DOT (rather than DMA) in identifying, obtaining, and allocating funding to implement WISCOM. Further, provide that the Council make recommendations to DOT (rather than DMA) on various current law aspects of the administration of public safety interoperable communication systems. Base funding for the interoperable communications system is $1,166,400 PR, funded from justice information fee receipts.

In addition, the bill would modify the funding source for the public safety interoperable communication system's general usage and state fees appropriations from PR funding from WISCOM usage fees to SEG funding from the transportation fund. Neither appropriation contains base funding or funding under the bill. The bill would eliminate language specifying that revenue from fees charged for the use of WISCOM be deposited to the public safety interoperable communication system's appropriations. Instead, any fee revenue would be deposited to the transportation fund and SEG monies appropriated for the stated purposes.

Repeal the statutory requirement that DMA conduct a request for proposals regarding WISCOM. Under the bill, DOT would instead be required to issue a request for proposals for WISCOM by June 30, 2020. The bill would also authorize DOT to spend up to $500,000 for professional consulting services related to the request for proposals. See Department of Transportation for additional information.

Next Generation 911. Eliminate funding for the creation, operation, and maintenance of an emergency services IP network to facilitate the implementation of NG911, a nationwide initiative aimed at updating the 9-1-1 service infrastructure. Base funding for NG911 is $6,700,000 SEG, funded by the Police and Fire Protection Fund. In addition, transfer the authority to appoint one member of the 19-member 911 Subcommittee from the Adjutant General to the Secretary of Transportation. Unless funding is provided for NG911 under DOT, additional revenue will be available in the Police and Fire Protection Fund to offset GPR shared revenue costs.

As directed in 2017 Act 59, the OEC was created in October, 2017, to oversee the Interoperability Council and its four subcommittees (Wisconsin Interoperability System for Communications, 911, Land Mobile Radio, and Nationwide Public Safety Broadband Network). The stated goal of the OEC is to support and promote the ability of emergency responders and government officials to continuously communicate in the event of natural disasters, acts of terrorism, or other man-made disasters. Prior to October, 2017, the Interoperability Council operated under the jurisdiction of the Department of Justice.

Joint Finance: Delete provision. Instead, provide an additional $1,868,100 GPR ($986,500 in 2019-20 and $881,600 in 2020-21) for WISCOM maintenance. Further, repeal the requirement that the Department of Military Affairs (DMA) conduct a request for proposals (RFP) regarding the Wisconsin Interoperable System for Communications (WISCOM) and instead require the Department of Transportation (DOT) to issue a RFP for WISCOM by June 30, 2020, in collaboration with DMA. In addition, authorize DOT to spend up to $500,000 for related professional consulting services.

In addition, delete $16,000 FED and 0.2 FED positions annually from DMA's federal aid for state operations appropriation. Further, provide $60,400 SEG in 2019-20 and $63,800 SEG in 2020-21 and 1.0 SEG position annually to the Interoperability Council appropriation from the police and fire protection fund.

3. STATE DISASTER ASSISTANCE PROGRAM FUNDS FOR DOOR COUNTY [LFB Paper 501]

SEG	$2,000,000

Governor: Provide one-time funding of $1,000,000 in 2019-20 and $1,000,000 in 2020-21 to the Washington Island Electric Cooperative utility from the state disaster assistance program for costs related to the replacement of the cable that brings electricity to Washington Island. The state disaster assistance program makes payments to local units of government for governmental damages and costs incurred as the result of a major catastrophe. Funding would be provided from the petroleum inspection fund.

Joint Finance: Modify the provision to specify that retail electric cooperatives may submit applications for the state disaster assistance fund.

4. CONVERT APPROPRIATIONS USED FOR EMERGENCY MANAGEMENT ASSISTANCE COMPACT RESPONSE

Governor: Convert the program revenue funded intergovernmental services and the interstate emergency assistance appropriations utilized for Emergency Management Assistance Compact (EMAC) responses from annual appropriations to continuing appropriations.

The purpose of the EMAC is to provide for mutual assistance among states and U.S. territories in managing a Governor-declared emergency or disaster. The Compact also provides for mutual cooperation in emergency-related exercises, testing, or other training activities. The intergovernmental services appropriation is used to provide emergency services to local units of

government and to other governments under the EMAC. The appropriation is funded by reimbursements from local units of government for services provided and from other governments for any losses, damages, or expenses incurred while operating under the EMAC. The interstate emergency assistance appropriation is also used to provide assistance under the EMAC and is funded by reimbursements for any losses, damages, or expenses incurred while operating under the EMAC. Neither appropriation contains base funding.

Currently, as annual appropriations, spending in a given year may not exceed the amounts in the schedule of appropriations. As recommended, under a continuing appropriation, the amounts in the schedule would represent the best estimate of expenditures but could exceed these amounts if estimated revenue to the appropriation was sufficient.

Joint Finance: Delete provision.

5. CREATE APPROPRIATION USED FOR PROVINCIAL EMERGENCY MANAGEMENT ASSISTANCE COMPACT RESPONSE

Governor: Create a continuing PR appropriation for provincial emergency assistance to receive reimbursement from Canadian provinces related to assistance provided under the State and Province Emergency Management Assistance Compact. The appropriation would be funded at $0 annually. However, as a continuing appropriation, DMA would be authorized to spend amounts beyond what is appropriated without legislative approval, based on available cash balances.

Joint Finance: Delete provision.

6. DEBT SERVICE

GPR	$2,348,000

Governor/Joint Finance: Provide $1,176,500 in 2019-20 and $1,171,500 in 2020-21 to reflect the reestimate of GPR debt service costs on state general obligation bonds and commercial debt issued for National Guard facilities by DMA. Base funding for debt service costs for National Guard facilities totals $5,812,700 annually.

7. FUEL AND UTILITIES

GPR	$229,200

Governor/Joint Finance: Provide $93,100 in 2019-20 and $136,100 in 2020-21 associated with fuel and utility cost estimates at Army and Air National Guard facilities. Base funding for agency energy costs is $2,031,200.

8. CONTRACT AND SUPPLIES FUNDING REESTIMATE

GPR	$168,000
FED	581,000
Total	$749,000

Governor/Joint Finance: Provide $84,000 GPR and $290,500 FED annually to increase contract and supply funding for Truax (Madison) and Volk (Camp Douglas) Air National Guard Bases, and various Army facilities (primarily armories) throughout the state. Funding would be annually allocated as follows: (a) Truax, $4,000 GPR and $16,000 FED; (b) Volk Field, $7,400 GPR and $22,200 FED; and (c) Army facilities, $72,600

GPR and $252,300 FED. Base funding for repair and maintenance appropriations is $839,900 GPR and $1,482,500 FED.

Under the state's National Guard Cooperative Agreement with the federal National Guard Bureau, funding for certain maintenance contracts and services for Truax Field and Volk Field are supported by federal funds and a state match requirement. Maintenance costs at Volk Field are split 25% state funding and 75% federal funding, while maintenance costs at Truax Field are split 20% state funding and 80% federal funding. Maintenance costs at Truax Field have a greater federal component due to the Aerospace Control Alert Homeland Defense Mission carried out by the 115th Fighter Wing, which is located at Truax Field. Maintenance costs at most Army facilities are split 50% state funding and 50% federal funding, although some facilities are 100% state funded or split 25% state funding and 75% federal funding.

9. PURCHASING ASSOCIATE POSITION

	Funding	Positions
GPR	$26,900	0.25
FED	80,600	0.75
Total	$107,500	1.00

Governor/Joint Finance: Provide $13,300 GPR and $39,900 FED in 2019-20, $13,600 GPR and $40,700 FED in 2020-21, and 0.25 GPR and 0.75 FED position annually, to support 1.0 purchasing associate position. The position would be located at Mitchell Field (Milwaukee).

The position provided under the bill would be funded between GPR and FED. General program revenue for the position is provided from the Department's general program operations appropriation. Base funding for the appropriation is $6,959,400 GPR and 71.75 GPR positions. Federal funding for the position is provided from the Department's federal aid - service contracts appropriation. Base funding for the appropriation is $33,018,600 FED and 315.48 FED positions.

10. INFORMATION TECHNOLOGY FUNDING

GPR	$23,000

Governor/Joint Finance: Provide $11,500 annually to increase base funding for information technology (IT). Funds would be allocated for IT-related subscriptions, such as cloud computing services.

The Department of Military Affairs currently funds IT hardware and software replacements through its general program operations appropriation under supplies and services. According to DMA, the amount of funding available for agency IT equipment has decreased in recent years as costs related to administration, travel, and contracted and required services have increased. Base GPR funding for supplies and services within the National Guard's operations appropriation is $487,500 annually.

11. REGIONAL HAZARDOUS SUBSTANCE EMERGENCY RESPONSE TEAMS - EQUIPMENT GRANTS

GPR	$500,000

Joint Finance: Provide one-time funding of $500,000 in 2019-20 to the appropriation for regional hazardous substance emergency response teams for the replacement of equipment utilized for responses.

MISCELLANEOUS APPROPRIATIONS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$241,783,200	$273,627,200	$293,471,000	$19,843,800	7.3%	$51,687,800	21.4%
PR	42,000,000	25,000,000	25,000,000	0	0.0	- 17,000,000	- 40.5
SEG	61,423,600	74,445,000	62,224,100	- 12,220,900	- 16.4	800,500	1.3
TOTAL	$345,206,800	$373,072,200	$380,695,100	$7,622,900	2.0%	$35,488,300	10.3%

FTE Position Summary

There are no authorized positions for Miscellaneous Appropriations.

Budget Change Items

1. VOLKSWAGEN SETTLEMENT DISTRIBUTIONS [LFB Paper 505]

PR	- $17,000,000

Governor: Reestimate Volkswagen settlement funds by $4,000,000 in 2019-20 and by -$21,000,000 in 2020-21. Under the bill, Volkswagen settlement funds would be budgeted at $25,000,000 in 2019-20 and $0 in 2020-21. Although the provision would modify budgeted settlement expenditures in the biennium, total settlement revenues available to the state are not anticipated to change. Further, the Department of Administration's (DOA) would retain the authority to expend all monies received from the settlement trustee for purposes specified by statutes and the settlement.

Expand the authorized use of funds under DOA's transit capital assistance grant program for the replacement of public transit vehicles to also include the installation of charging stations for electric vehicles. Specify that DOA allocate 60% of available grant funding for replacement of public transit vehicles, and 40% for installation of charging stations for electric vehicles. Provide that the DOA Secretary may adjust the allocation if necessary. Repeal the restriction that DOA provide no more than $32 million in transit capital assistance grants.

Repeal the current law requirement that use of Volkswagen settlement funds for replacement of state fleet vehicles take precedence over transit capital assistance grants. Further, repeal the provision allowing the Secretary of DOA to lapse to the general fund any GPR or PR amounts saved by state agencies in their replacement of state fleet vehicles. Finally, repeal the restriction that no more than $21 million of Volkswagen settlement funds be expended in 2017-18.

Modify the current law percentage reduction in county and municipal aid payments, from 75% to 20%, that is required for each county or municipality that receives a Volkswagen transit capital assistance grant for an urban mass transit system serving a population exceeding 200,000 (Milwaukee County and Madison). The 20% reduction is the same amount required for urban mass transit systems serving populations between 50,000 and 200,000. [See "Shared Revenue and Tax Relief -- Direct Aid Payments."]

Joint Finance: Delete the Governor's recommendation. Instead, provide the same level of Volkswagen settlement funding as in the Governor's bill ($25,000,000) but require the Department of Administration (DOA) to allocate $3,000,000 in settlement funding to award grants to school districts for the replacement of eligible school buses. Repeal the restriction that DOA provide no more than $32 million in transit capital assistance grants. The balance of the Volkswagen settlement funding remaining in the appropriation after the $3,000,000 school bus allocation could be awarded for the replacement of eligible vehicles in the state fleet (as approved in the 2017-19 budget) and for grants under the transit capital grant program for the replacement of eligible transit vehicles. The balance of settlement funding would include the remaining $22,000,000 appropriated under the bill, plus any settlement funds remaining at the end of the 2017-19 biennium.

Require DOA to establish a school bus replacement grant program to award grants of settlement funds from the appropriation to school boards for the replacement of school buses owned and operated by the school boards with school buses that are energy efficient, including school buses that use alternative fuels. Allow any school board to apply for a grant under the program. Specify that as a condition of receiving a grant, the school board must provide matching funds equal to the amount of the grant award. Provide that a school board may use settlement funds awarded only for the payment of costs incurred by the school board to replace school buses in accordance with the settlement guidelines.

Reestimate Volkswagen settlement funds by $4,000,000 in 2019-20 and by -$21,000,000 in 2020-21. Volkswagen settlement funds would be appropriated $25,000,000 in 2019-20 and $0 in 2020-21.

2. GENERAL FUND SUPPLEMENT TO THE VETERANS TRUST FUND [LFB Paper 770]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$15,800,000	$13,800,000	$29,600,000

Governor: Provide $15,800,000 in 2020-21 to reflect the administration's estimate of the GPR funding that would be transferred to the veterans trust fund (VTF) to maintain a positive balance in that fund through the 2019-21 biennium under the bill. [See the entry under "Veterans Affairs" for statutory changes.]

Joint Finance: Increase funding by $13,800,000 in 2019-20 to reflect that GPR transfers to the VTF would begin in 2019-20.

3. TRANSFERS TO THE CONSERVATION FUND [LFB Paper 521]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$13,021,400	- $12,220,900	$800,500

Governor: Reestimate the revenue transferred from the transportation fund to the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. The following table shows budgeted base amounts for the motorboat, snowmobile, ATV, and UTV formula transfers, and annual reestimates for each under the Governor's proposal.

Recreational Vehicle Motor Fuel Tax Transfers (Governor)

		2019-20		2020-21	
	Base	Change	Total	Change	Total
Motorboats	$13,140,000	$2,664,000	$15,804,000	$3,840,000	$16,980,000
Snowmobile	4,670,000	1,643,000	6,313,000	1,965,000	6,635,000
ATVs	1,931,000	1,115,800	3,046,800	1,345,600	3,276,600
UTVs	351,500	203,100	554,600	244,900	596,400
Total	$20,092,500	$5,625,900	$25,718,400	$7,395,500	$27,488,000

By statute, transfers are based on the fuel tax rate and the number of registered recreational vehicles as of certain dates in the preceding fiscal year. These reestimates are intended to account for increases in the motor fuel tax recommended by the Governor.

Joint Finance: Reestimate transfers from the transportation fund to reflect estimated changes in vehicle registrations under the current motor fuel tax rate. The following table shows budgeted base amounts for the motorboat, snowmobile, ATV, and UTV formula transfers, and annual reestimates for each.

Recreational Vehicle Motor Fuel Tax Transfers (Joint Finance)

	Base	Change to Base	Change to Bill	Total
2019-20				
Motorboats	$13,140,000	-$80,500	-$2,744,500	$13,059,500
Snowmobile	4,670,000	578,300	-1,064,700	5,248,300
ATVs	1,931,000	-56,800	-1,172,600	1,874,200
UTVs	351,500	182,900	-20,200	534,400
Total	$20,092,500	$623,900	-$5,002,000	$20,716,400
2020-21				
Motorboats	$13,140,000	-$188,700	-$4,028,700	$12,951,300
Snowmobile	4,670,000	239,200	-1,725,800	4,909,200
ATVs	1,931,000	-56,800	-1,402,400	1,874,200
UTVs	351,500	182,900	-62,000	534,400
Total	$20,092,500	$176,600	-$7,218,900	$20,269,100

4. OFF-HIGHWAY MOTORCYCLE TRANSFER TO THE CONSERVATION FUND [LFB Paper 522]

GPR	$155,800

Joint Finance: Create a GPR transfer to the conservation fund equal to the value of off-highway motorcycle (OHM) registration fees deposited in the transportation fund. Estimate the value of the transfer at $60,100 GPR in each year of the 2019-21 biennium. Further, transfer $35,600 GPR in 2019-20 to reflect the amount lapsed from the OHM program in 2017-18.

Under current law, DNR administers the OHM trail program using a sum-sufficient GPR appropriation budgeted under DNR and determined by the fees received from OHMs registered in the state, which are generally $30 per vehicle for public use. The adjusted base is $43,000 and is reestimated by $17,100 GPR in each year of the biennium under the provision. As the appropriation is sum sufficient, DNR lapses the unencumbered balance at the end of each fiscal year. In 2017-18, DNR expended $5,900 and lapsed $35,600. The bill would transfer this amount in 2019-20 to reflect the lapsed value. The bill would also delete the existing sum-sufficient GPR appropriation under DNR and budget the transfer under Miscellaneous Appropriations. A corresponding provision in DNR would appropriate an equal amount as conservation SEG for OHM project or enforcement aids and DNR administrative activities. [See "Natural Resources -- Conservation and Recreation."]

5. OIL PIPELINE TERMINAL TAX DISTRIBUTION

GPR	$1,834,700

Governor/Joint Finance: Increase estimated payments by $886,100 in 2019-20 and $948,600 in 2020-21. With these increases, oil pipeline terminal tax payments would equal $6,386,100 in 2019-20 and $6,448,600 in 2020-21, relative to base level funding of $5,500,000. The oil pipeline terminal tax distribution provides payments to municipalities where oil pipeline terminal facilities are located. The payment equals a proportionate share of the pipeline company's state tax payment based on the terminal facility's cost as a percentage of the gross book value of the pipeline company in Wisconsin.

6. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND

GPR	$1,400

Governor/Joint Finance: Make the following changes to the disaster damage aids transfer appropriation: (a) a decrease of $499,300 in 2019-20 to reflect the removal of first year funding from the base; and (b) an increase of $500,700 in 2020-21 to reflect an increase in the estimated amount needed to fund disaster claims during the 2019-21 biennium.

2013 Wisconsin Act 20 established a GPR sum-sufficient appropriation to fund a transfer to the transportation fund in the second year of the biennium equal to the amount of disaster aid payments made during the biennium in excess of $1,000,000 for any single disaster event. Although the funding is only needed in the second year of each biennium, this funding is automatically included in the base funding for the first and second years of the next biennium. As a result, the first year of funding has to be removed during the biennial budget process. The current base level is $499,300. The Governor's recommendation would remove the 2019-20 base funding amount and fund the estimated transfer at $1,000,000 ($499,300 base funding plus a $500,700 increase) in 2020-21.

7. MARQUETTE DENTAL SCHOOL DEBT SERVICE REESTIMATE

GPR	- $130,100

Governor/Joint Finance: Reestimate funding by $80,200 in 2019-20 and -$210,300 in 2020-21 for debt service costs on state general obligation bonds and commercial paper debt issued to fund a portion of the dental and education facility for the Marquette Dental School. Estimated debt service costs associated with bonds issued for the school would be $2,369,300 in 2019-20 and $2,078,800 in 2020-21.

Other Miscellaneous Appropriation Changes

The description and fiscal effect of miscellaneous appropriation changes relating to Illinois-Wisconsin income tax reciprocity and interest on overpayment of taxes are summarized under "General Fund Taxes."

NATURAL RESOURCES

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$218,970,800	$218,387,500	$215,722,100	- $2,665,400	- 1.2%	- $3,248,700	- 1.5%
FED	167,347,800	172,082,100	172,082,100	0	0.0	4,734,300	2.8
PR	64,623,800	65,209,800	66,994,200	1,784,400	2.7	2,370,400	3.7
SEG	650,895,000	669,441,000	668,781,000	- 660,000	- 0.1	17,886,000	2.7
TOTAL	$1,101,837,400	$1,125,120,400	$1,123,579,400	- $1,541,000	- 0.1%	$21,742,000	2.0%
BR		$43,500,000	$61,100,000				

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	223.52	232.52	223.52	- 9.00	0.00
FED	481.84	482.84	482.84	0.00	1.00
PR	243.89	240.89	245.89	5.00	2.00
SEG	1,566.35	1,573.35	1,569.35	- 4.00	3.00
TOTAL	2,515.60	2,529.60	2,521.60	- 8.00	6.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	$1,096,300
FED	4,734,300
PR	2,200,400
SEG	9,756,400
Total	$17,787,400

Governor/Joint Finance: Provide adjustments to the base budget totaling $8,798,600 in 2019-20 and $8,988,800 in 2020-21 as follows: (a) -$3,388,000 annually for turnover reduction (-$384,700 GPR, -$529,500 FED, -$114,700 PR, and -$2,359,100 SEG); (b) -$72,700 FED annually to remove non-continuing elements from the base; (c) $8,999,400 annually for full funding of continuing salaries and fringe benefits ($887,000 GPR, $2,923,000 FED, $1,196,900 PR, and

$3,992,500 SEG); (d) $112,600 annually for reclassifications and semi-automatic pay progression ($1,800 GPR, $11,400 FED, $10,000 PR, and $89,400 SEG); (e) $3,178,700 annually for overtime ($8,000 PR and $3,170,700 SEG); and (f) -$31,400 ($28,200 GPR, $14,800 FED, and -$74,400 SEG) in 2019-20 and $158,800 ($59,900 GPR, $55,100 FED, and $43,800 SEG) in 2020-21 for full funding of leases and directed moves.

2. CREATE NATURAL RESOURCES SCIENCE BUREAU [LFB Paper 510]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$718,500	5.00	- $431,100	- 3.00	$287,400	2.00

Governor: Create a Bureau of Natural Resources Science in the Department of Natural Resources (DNR) Division of Fish, Wildlife, and Parks. Provide $308,000 in 2019-20 and $410,500 in 2020-21 from the environmental fund with 5.0 positions. The administration indicates that these positions would work on water quality and related contaminants, and at least 2.0 would be assigned work on per- and polyfluoroalkyl substances (PFAS) contamination of water resources. The table shows where positions to be added by the bill would be budgeted in DNR, with the base funding that would begin in 2020-21.

Natural Resources Scientist Position Additions -- Governor

Funding Division/Subprogram	FTE	Base Funding
Division of Environmental Management		
Drinking and Groundwater	2.00	$164,200
Water Quality	2.00	164,200
Division Subtotal	4.00	$328,400
Division of External Services		
Watershed Management	1.00	$82,100
Total	5.00	$410,500

The bill would require the bureau director to report to the DNR Secretary and serve as his or her science advisor. In addition to those positions created by the bill, the Bureau of Natural Resources Science would include 14.0 existing scientist positions in the Office of Applied Science, which is currently housed in the Division of Fish, Wildlife, and Parks.

2015 Wisconsin Act 55 eliminated 18.4 scientist positions. The Department reorganization in 2017 Wisconsin Act 59 dissolved the Bureau of Integrated Science Services and transferred 37.0 positions to other programs as follows: (a) Division of Fish, Wildlife, and Parks (14.0); (b) Division of Environmental Management (2.0); and (c) Division of External Services (21.0).

Joint Finance: Delete language creating a Bureau of Natural Resources Science. Reduce

the Governor's recommendation by 3.0 positions, $184,800 SEG in 2019-20 and $246,300 in 2020-21. As a result, the bill would provide 2.0 environmental management SEG-funded positions for PFAS-related research and other emerging chemical contaminants. One position each would be budgeted in the drinking and groundwater program and the water quality program.

3. DEBT SERVICE REESTIMATE

GPR	- $4,451,000
SEG	- 3,293,300
Total	- $7,744,300

Governor/Joint Finance: Delete $1,104,500 (-$298,700 GPR and -$805,800 SEG) in 2019-20 and $6,598,200 (-$4,152,300 GPR and -$2,445,900 SEG) in 2020-21 to reflect a reestimate of debt service payments on bonds issued for various DNR programs as shown in the following table:

DNR Debt Service Reestimates

Fund/Purpose	Adjusted Base	2019-20 Change to Base	2019-20 Estimate	2020-21 Change to Base	2020-21 Estimate	Total Biennial Change
General Purpose Revenue						
Stewardship and predecessors	$71,707,200	$186,000	$71,893,200	-$2,964,400	$68,742,800	-$2,778,400
Combined sewer overflow	1,805,600	- 412,500	1,393,100	- 894,900	910,700	- 1,307,400
Municipal clean drinking water grants	174,200	- 2,100	172,100	- 166,600	7,600	- 168,700
Administrative facilities	655,900	-70,100	585,800	-126,400	529,500	-196,500
GPR Subtotal		-$298,700		-$4,152,300		-$4,451,000
Conservation						
Dam repair and removal	$477,500	-$79,700	$397,800	-$207,500	$270,000	-$287,200
Administrative facilities	6,387,400	195,100	6,582,500	234,100	6,621,500	429,200
Conservation Fund SEG Subtotal		$115,400		$26,600		$142,000
Environmental						
Remedial action	$2,609,900	-$38,600	$2,571,300	-$488,600	$2,121,300	-$527,200
Contaminated sediment cleanup	1,899,500	97,600	1,997,100	144,600	2,044,100	242,200
Rural nonpoint source grants - priority watershed program	5,675,900	- 244,100	5,431,800	- 903,800	4,772,100	- 1,147,900
Rural nonpoint source grants - targeted runoff management	2,206,700	101,900	2,308,600	177,500	2,384,200	279,400
Urban nonpoint source	3,363,100	91,600	3,454,700	101,400	3,464,500	193,000
Water pollution abatement	6,361,300	- 914,600	5,446,700	- 1,554,700	4,806,600	- 2,469,300
Administrative facilities	825,800	- 15,000	810,800	9,500	835,300	- 5,500
Environmental Fund SEG Subtotal		-$921,200		-$2,514,100		-$3,435,300
SEG Subtotal		-$805,800		-$2,487,500		-$3,293,300
Total Reestimates to Base		-$1,104,500		-$6,639,800		-$7,744,300

4. TRANSFERS BETWEEN APPROPRIATIONS [LFB Paper 511]

Governor: Transfer positions and funding between appropriations in DNR, as identified in the following paragraphs, to more accurately align with assigned programmatic duties.

Transfer Statutory Appropriations to Different Divisions. Transfer the following appropriations to a different departmental division, as shown in the table.

DNR Appropriation Transfers Among Divisions

Appropriation	Annual Amount	Positions	Fund	Transfer From	Transfer To
Nonferrous mining reg.	$76,300	--	PR	Env. Management	External Services
Ferrous mining reg.	95,800	1.0	PR	Env. Management	External Services
Beach monitoring	24,700	--	SEG (CF)*	Env. Management	External Services
Aquatic invasive donations	68,500	--	SEG (CF)*	External Services	Env. Management

* Conservation fund

Further, transfer funding associated with Karner blue butterfly recovery from the Division of Forestry to the Division of Fish, Wildlife, and Parks to align with other endangered resources programs. Transfer $9,900 conservation SEG in Karner blue butterfly habitat conservation plan fees and $28,900 conservation SEG in forestry operations for Karner blue butterfly staffing costs.

Wisconsin Waters Initiative. Transfer $400,000 environmental fund SEG (nonpoint account) for the Wisconsin Waters Initiative within the Division of External Services from a nonpoint source operations appropriation to a general operations appropriation. The Wisconsin Waters Initiative is an ongoing DNR effort by which the agency makes accessible various information relating to surface water programs, permitting, and watershed management. The transfer is intended to align current uses of the funding with broader purposes allowed under the receiving appropriation.

Reconcile Past Transfers. Transfer 1.0 position from water quality to watershed management to reconcile position listings in the state personnel management and budget systems. Transfer $19,300 nonpoint SEG from watershed management to water quality to correct erroneous transfers under 2017 Act 59. Further, transfer 1.0 position from law enforcement to parks and recreation. The Department intends for this transfer to reflect the position changes under a 2017 Act 59 provision deleting 10.0 positions related to forestry or parks.

Positions Realignment. Transfer positions between appropriations as shown in the following table to realign position funding with employee responsibilities:

DNR Position Transfers Among Programs or Divisions

Position Title	Amount	Positions	Fund	Transfer From	Transfer To
Attorney	$14,200	0.10	SEG	Water Quality	Legal Services
Program Specialist	42,500	0.50	SEG	External Services	Drinking/Groundwater
Grant Specialist	72,100	1.00	SEG	Recycling	Comm. Financial Assist.
Business Specialist	69,000	0.66	SEG	Human Resources	Customer Services
Mechanic	62,700	1.00	SEG	Fleet Services	Forestry
Customer Services Rep.	45,800	1.00	SEG	Fisheries	Customer Service
Sr. Customer Services Rep.	54,300	1.00	FED	Technology Services	Customer Service
Wildlife Biologist	26,800	0.50	FED	Customer Service	Wildlife Management
Sr. Customer Services Rep	42,600	0.50	SEG	Wildlife Management	Customer Service
Internal Services Supervisor	72,100	1.00	SEG	Property Services	Land Leaders
Info. Systems Development Spec.	39,300	0.50	FED	Administration	External Services
Tribal Liaison	27,400	0.25	SEG	Air Management	Administration
Tribal Liaison	27,400	0.25	SEG	Fisheries	Administration
Tribal Liaison	54,900	0.50	SEG	Wildlife Management	Administration
Customer Services Rep.	91,600	2.00	SEG	Law Enforcement	Customer Services
Total	$742,700	10.76			

Joint Finance: Renumber five statutory appropriations as follows: (a) renumber 20.370(2)(gt) for Karner blue butterfly conservation plan fees to 20.370(1)(gt); (b) renumber 20.370(9)(ks) for voluntary contributions for aquatic invasives research to 20.370(4)(ks); (c) renumber 20.370(4)(aw) for beach monitoring to 20.370(9)(aw); and (d) renumber 20.370(4)(gh) to 20.370(9)(gh), and renumber 20.370(4)(gi) to 20.370(9)(gi) to budget mining regulation with the Division of External Services. These provisions would accomplish transfers recommended by the Governor, but for which statutory language changes had been omitted from the introduced bill.

5. TRANSFERS WITHIN APPROPRIATIONS

Governor/Joint Finance: Transfer positions and funding between budgetary subprograms within the same appropriation as described in the following paragraphs to reflect current allocations of program responsibilities.

Law Enforcement. Transfer 5.0 conservation SEG regional warden management positions and $732,400 annually into the primary law enforcement subprogram to consolidate all law enforcement positions into a single subprogram.

Environmental Management. Transfer 0.25 GPR fiscal and staff services position and $21,200 annually from waste and materials management to water quality.

Internal Services. Transfer 1.0 conservation SEG business automation position and $78,600 annually from Division of Internal Services management to finance and accounting. Transfer 0.20 conservation SEG attorney with $34,100 annually from finance and accounting to legal services. Transfer 0.01 conservation SEG information technology (IT) position with $1,200 annually from human resources to management and budget. Reallocate $9,900 FED (grant and contract

administrative cost reimbursements) for limited-term employee salaries and fringe benefits to supplies and services.

External Services. Reallocate 3.0 GPR IT positions and $283,300 annually under Division of External Services management to: (a) 2.0 positions and $187,400 for watershed management; and (b) 1.0 position and $95,900 for customer and outreach services. Reallocate 4.50 conservation SEG financial assistance, IT, and program administration positions and $488,100 annually under External Services management to: (a) 4.0 positions with $432,600 for community financial assistance; and (b) 0.5 position and $55,500 annually for environmental analysis and sustainability. Transfer 1.0 PR conservation biologist and $92,800 annually from customer and outreach services to environmental analysis and sustainability. Transfer 0.25 PR contract specialist and $19,000 from External Services management to environmental analysis and sustainability. Transfer 0.50 FED business automation specialist and $53,700 annually from External Services management to environmental analysis and sustainability.

Conservation and Recreation

1. REAUTHORIZE STEWARDSHIP PROGRAM [LFB Paper 515]

BR	$42,600,000

Governor: Reauthorize the Warren Knowles-Gaylord Nelson Stewardship Program at current funding levels through June 30, 2022, using unspent bonding authority from the current program authorization. Current law provides DNR annual bonding authority of $33.25 million through June 30, 2020.

The stewardship program was last reauthorized in 2007 Wisconsin Act 20, but has been occasionally amended by budget acts and other legislation since that time. Under the stewardship program, DNR is authorized to incur debt for the purposes of: (a) acquiring land to expand recreational opportunities and protect environmentally sensitive areas; (b) developing outdoor recreational facilities on state conservation lands; (c) providing grants to local governments and nonprofit conservation organizations (NCOs) typically for up to 50% of the cost of acquiring or developing land for outdoor recreational activities; (d) providing grants to counties for up to 50% of the cost of acquiring forestry land; and (e) providing grants to local governments for developing all-terrain and utility terrain vehicle trails and facilities. The bill would make no changes to eligible projects or expenditures under current law. The following table shows annual stewardship allocations under current law and the bill.

Annual Stewardship Allocations, by Subprogram

	Current Law and Bill
Land Acquisition Subprogram	
DNR Acquisition	$9,000,000
Grants to NCOs	7,000,000
County Forest Grants	5,000,000
Subtotal	$21,000,000
Property Development and Local Assistance Subprogram	
DNR Property Development	$3,250,000
Local Assistance Grants	6,000,000
Motorized Stewardship	500,000
Subtotal	$9,750,000
Recreational Boating Aids	$2,500,000
Total Annual Bonding Allocation	$33,250,000

General obligation bonds for the stewardship program are typically issued with up to 20-year terms. Principal and interest on the bonds (debt service) is paid under current law by GPR and an annual appropriation from the forestry account of the segregated conservation fund.

In addition to the bill provisions, the Budget in Brief indicates the Governor will convene a task force to consider future directions for the stewardship program and make recommendations on program structure and funding needs. The bill does not further specify the task force's creation or any instruction or deadlines under which it would operate.

Joint Finance: Extend the stewardship program by two years, through June 30, 2022, at current program annual allotments of $33.25 million. Allow DNR to use $23.9 million in previously unobligated bonding authority identified by DNR and the administration for this purpose. Provide $42,600,000 in additional bonding authority for the program to fully fund the program for two years.

2. PARKS STAFFING AND OPERATIONS [LFB Paper 516]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$2,862,400	- $670,800	$2,191,600

Governor: Increase general operations funding for state parks and recreational areas by $1,431,200 annually from the conservation fund to reflect greater costs associated with higher parks attendance, as well as maintenance and development of parks facilities. DNR indicates that it would raise the hourly wage for seasonal limited-term employees (LTEs) from $11.05 per hour to $12.55 per hour to improve hiring and retention; the provision would increase amounts budgeted for LTE salary and fringe by $931,200 annually.

Funding would be provided for costs ($150,000) associated with additional electrified campsites authorized under 2017 Act 59. Further, the bill would increase base funding as shown below for costs attributable to maintenance, utilities and other operational costs of recently completed facilities at several state parks and southern forests. An additional $301,500 in supplies and services would support systemwide costs due to increased park (SP) and southern forest (SF) attendance in recent years.

State Parks and Southern Forests Base Supplies and Services Increases -- Governor

Property	Facility Type	Annual Cost
Site-Specific Adjustments		
Peninsula SP	Toilet Shower Building	$3,000
Peninsula SP	Lift Station	1,500
Peninsula SP	New Tower	2,500
Peninsula SP	New Trail System	7,500
Potawatomi SP	New Trail System	5,000
High Cliff SP	Boat Launch	5,000
Willow River SP	Dam	5,000
Kinnickinnic SP	Campground	10,000
Devil's Lake SP	Boat Storage Building	2,500
Council Grounds SP	Open Shelter	1,500
Mirror Lake SP	Amphitheater	2,500
Kettle Moraine SF --		
Pike Lake Unit	Amphitheater	2,500
Subtotal		$48,500
Systemwide		
Electrified Campsites		$150,000
Attendance-Related Cost Increases		301,500
Subtotal		$451,500
Total Supplies and Services Base Increases		$500,000

Joint Finance: Reduce the Governor's recommendation by $335,400 annually. Increase the parks and southern forest general operations appropriations by $1,095,800 annually to provide $620,800 SEG parks annually for LTE salaries and associated fringe costs, $347,500 parks SEG and $2,500 forestry SEG for supplies and services in each year of the biennium, and $125,000 parks SEG annually for electrical services at newly electrified campgrounds.

3. LAW ENFORCEMENT RADIOS [LFB Paper 517]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$107,000	$85,000	$192,000
SEG	2,469,600	1,957,200	4,426,800
Total	$2,576,600	$2,042,200	$4,618,800

Governor: Provide $1,288,300 ($53,500 GPR, $1,154,600 conservation fund SEG, and

$80,200 environmental fund SEG) annually as one-time funding for the purchase of law enforcement radios. The Bureau of Law Enforcement indicates that it would use this funding to purchase 390 multi-band mobile radios, which are mounted to service vehicles, and 290 multi-band portable radios, which are carried by law enforcement personnel.

The Department's current inventory of law enforcement radios includes 365 mobile radios and 430 portable radios. Of these, the Department reports that 330 mobile radios and 210 portable radios were purchased before 2010 and use outdated technology, while an additional 45 portable radios purchased in 2011 and 2012 are nearing obsolescence. DNR reports the outdated systems and equipment can limit interoperability with local law enforcement agencies.

The proposal would divide funding among law enforcement functions as shown in the following table. Funding was allocated among law enforcement appropriations based on the number of positions funded by each appropriation. Amounts would support the first two years of a four-year installment plan under the state master lease program.

DNR Law Enforcement Radio Funding -- Governor

Appropriation	Annual Allocation	Biennial Amount	Fund
General Program Operations	$53,500	$107,000	GPR
Environmental Enforcement	$80,200	$160,400	Environmental SEG
Fish, Wildlife, Parks and Forestry Enforcement	$963,100	$1,926,200	Conservation SEG
Boat Enforcement	124,900	249,800	
ATV Enforcement	53,500	107,000	
Water Resources Enforcement	13,100	26,200	
Conservation Fund Subtotal	$1,154,600	$2,309,200	
Annual Total	$1,288,300	$2,576,600	

Joint Finance: Increase the Governor's recommendation by $85,000 GPR, $127,100 environmental SEG and $1,830,100 conservation SEG. Provide all funding in 2019-20 in new biennial appropriations to acquire law enforcement radios as a one-time purchase rather than over four years through the state master lease program. As a result, DNR would have three biennial appropriations for acquiring law enforcement radios. No funding in the 2019-21 biennium would continue as base funding in the 2021-23 biennium, however.

The following table shows total biennial funding by program area and fund under Joint Finance action.

DNR Law Enforcement Radio Funding -- Joint Finance

Appropriation	One-Time Purchase	Fund
General Program Operations	$192,000	GPR
Environmental Enforcement	$287,500	Environmental SEG
Fish, Wildlife, Parks and Forestry Enforcement	$3,452,500	Conservation SEG
Boat Enforcement	447,900	
ATV Enforcement	192,000	
Water Resources Enforcement	46,900	
Conservation Fund Subtotal	$4,139,300	
Total	$4,618,800	

4. REMOVE TRIBAL GAMING REVENUES FROM SNOWMOBILE ENFORCEMENT

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$2,464,400	9.00	- $2,464,400	- 9.00	$0	0.00
PR	- 2,464,400	- 9.00	2,464,400	9.00	0	0.00
Total	$0	0.00	$0	0.00	$0	0.00

Governor: Replace $1,232,200 tribal gaming PR each year and 9.0 positions for DNR snowmobile enforcement with GPR. Repeal the tribal gaming PR appropriations under DNR and the Department of Administration (DOA) Division of Gaming. Under current law, funding for snowmobile enforcement, safety training, and accident reporting is provided annually from the conservation fund and from tribal gaming revenue. [See "Administration -- Division of Gaming" for corresponding tribal gaming transfer entries.]

Joint Finance: Delete provision.

5. FOREST FIRE PROTECTION GRANTS [LFB Paper 519]

SEG	$556,000

Governor/Joint Finance: Provide $278,000 annually from the forestry account of the conservation fund for forest fire protection grants. DNR provides matching grants for municipalities and fire companies to acquire fire-resistant clothing, fire-suppression supplies, vehicles, and other equipment, as well as training in forest fire suppression. Forest fire protection grants were created by 1997 Wisconsin Act 27 and were provided with $525,000 annually. The program is currently funded at $170,000 annually, which was set in 2009 Wisconsin Act 28. The provision would establish state funding at $448,000 each year, which DNR indicates is intended

to better meet program demand.

6. WISCONSIN FOREST PRACTICES STUDY [LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$450,000	- $310,700	$139,300

Governor: Provide $225,000 forestry SEG annually for implementing the recommendations of the Wisconsin Forest Practices Study, which was required under 2013 Wisconsin Act 20, including: (a) the development of an integrated monitoring program for forest management; (b) research on forest economics and the impact of forest management guidelines; and (c) developing and implementing online and in-person training for forestry professionals.

Joint Finance: Reduce the Governor's recommendation by $85,700 in the first year and $225,000 in the second year to provide $139,300 that would lapse from the moneys provided by 2013 Act 20 for the Forest Practices Study to fund projects to implement the study's recommendations.

7. COUNTY FOREST GRANTS [LFB Paper 523]

SEG	$174,000

Joint Finance: Provide $87,000 forestry SEG annually to increase funding for county sustainable forestry grants. As an errata, the Governor requested increasing funding by $165,000 annually to provide $87,000 annually to fully fund the county sustainable forestry grant and $78,000 to provide funding to the time standards grant under the county forest administration grant program.

The two programs are budgeted under a single appropriation. Under the provision, county sustainable forestry grants and county forest administration grants would be appropriated $1,613,900 in each year of the biennium.

8. FORESTRY MILL RATE REESTIMATE [LFB Paper 518]

Governor/Joint Finance: Reestimate the transfer from the general fund to the forestry account of the conservation fund by $6,109,400 in 2019-20 and by $10,092,100 in 2020-21. 2017 Act 59 replaced the state forestry mill tax with a sum-sufficient appropriation from the general fund equal to the value of the tax, or 0.1697 mills for each dollar of the assessed valuation of taxable property in the state. Funds are transferred to the forestry account for the purposes of acquiring, preserving and developing the forests of the state. The bill budgets the transfers at $97,753,400 in 2019-20 and at $101,736,100 in 2020-21. [See "Shared Revenue and Tax Relief--Forestry Mill Rate."]

9. RECREATION VEHICLE FUEL TAX TRANSFER [LFB Paper 521]

SEG	$1,351,200

Governor: Increase annual transfers by $5,625,900 in 2019-20 and $7,395,500 in 2020-21 from the transportation fund to the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. [See "Miscellaneous Appropriations" for corresponding transportation fund SEG transfer entries.] By statute, transfers are based on the fuel tax rate and the count of registered recreational vehicles as of certain dates in the preceding fiscal year. These reestimates are intended to account for increases in the motor fuel tax under the bill. The bill as introduced made no reestimates of DNR aids appropriations funded by the transfers, however.

Joint Finance: Reestimate the revenue transferred from the transportation fund under the recreational vehicle fuel tax formula. [See "Miscellaneous Appropriations."] Further, reestimate DNR aids appropriations by $819,800 in 2019-20 and $531,400 in 2020-21, as shown in the table below.

DNR Appropriation Reestimates

	2019-20	2020-21
Snowmobile Trail Aids	$578,300	$239,200
Snowmobile Supplemental Trail Aids	115,400	166,100
ATV Trail Aids	-56,800	-56,800
UTV Trail Aids	182,900	182,900
Change to Base / Change to Bill	$819,800	$531,400

Basic ATV, UTV and snowmobile trail aids are funded by the motor fuel tax transfer for each vehicle type. Snowmobile supplemental trail aids are based on the number of nonresident annual snowmobile trail passes sold in the prior fiscal year multiplied by $47. In 2018-19, 19,477 nonresident annual snowmobile trail passes were sold.

10. OFF-HIGHWAY MOTORCYCLES [LFB Paper 522]

GPR	- $86,000
SEG	155,800
Total	$69,800

Joint Finance: Approve the Governor's errata to create a new conservation SEG continuing appropriation funded by an annual GPR transfer equal to the off-highway motorcycle (OHM) registrations deposited in the transportation fund. Budget the transfer at $95,700 SEG in 2019-20 and $60,100 SEG in 2020-21. Further, repeal a GPR sum-sufficient appropriation of $43,000 each year for the OHM program.

Under current law, DNR administers the OHM program using a sum-sufficient GPR appropriation determined by the fees received from OHMs registered in the state, which are generally $30 per vehicle for public use. The appropriation may fund OHM project or enforcement aids and DNR administrative activities. The adjusted base is $43,000 and is reestimated by $17,100 in each year of the biennium under the provision. As the appropriation is sum sufficient, DNR

lapses the unencumbered balance at the end of each fiscal year. In 2017-18, DNR expended $5,900 and lapsed $35,600. The bill would transfer this amount in 2019-20 to reflect the lapsed value. The bill would also repeal the existing sum-sufficient GPR appropriation under DNR and budget the GPR transfer under "Miscellaneous Appropriations." The SEG appropriation in DNR would provide for the same purposes as under current law.

11. ATV/UTV COUNTY ENFORCEMENT AIDS

SEG	$510,000

Joint Finance: Increase funding for ATV and UTV enforcement aids by $255,000 annually to $750,000 annually. DNR distributes aids to counties for the costs of local patrol units charged with ATV and UTV law enforcement. Counties may receive up to 100% of eligible costs, but aid payments are prorated if claims exceed the appropriation level.

12. AUTOMATIC RENEWAL FOR HUNTING, FISHING, AND TRAPPING LICENSES

Governor/Joint Finance: Authorize DNR to develop an automatic renewal system for certain hunting, fishing, and trapping licenses. Under current law, persons wishing to hunt or fish must purchase a license each year. Under the proposal, those purchasing a hunting or fishing authorization may opt to automatically renew any license, permit, certificate, card, stamp, preference point, or tag. The system would exclude conservation patron cards. DNR would be authorized to contract with a third party to store customer information to carry out the system.

13. CHRONIC WASTING DISEASE RESEARCH

SEG	$100,000

Joint Finance: Provide $100,000 fish and wildlife SEG from the chronic wasting disease monitoring and testing appropriation for research on genetic resistance to CWD in farmed deer. Require that the research be conducted on a double-fenced deer farm in southern Wisconsin where a deer tested positive for CWD in spring of 2018. The CWD monitoring and testing appropriation is funded by a portion of the proceeds of bonus antlerless tags sold in CWD-confirmed areas. $5 is credited to the appropriation for each bonus permit sold.

14. STATE TRAILS REPAIRS

SEG	$100,000

Joint Finance: Amend the DNR parks development appropriation to allow moneys to be used for trail repairs. Further, provide $100,000 parks SEG in 2019-20 and require DNR to make repairs to: (a) the portion of the Elroy-Sparta Trail between the City of Elroy and the Village of Norwalk; and (b) the portion of the 400 State Trail between the Villages of La Valle and Union Center.

15. EMINENT DOMAIN FOR STATE TRAILS

Governor: Allow state agencies, including DNR, to use condemnation to acquire land for

state trails. Current law prohibits state entities from using eminent domain to establish or extend a recreational trail, bicycle lane, or other bicycle way. [See "Transportation -- Local Transportation Assistance."]

Joint Finance: Delete provision.

Environmental Quality

1. CONTAMINATED SEDIMENT BONDING [LFB Paper 526]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$25,000,000	- $21,000,000	$4,000,000

Governor: Provide $25,000,000 BR to increase, from $32 million to $57 million, the total amount of SEG-supported general obligation bonds authorized to pay for a portion of the costs of removal of contaminated sediment from certain water bodies. Currently, and under the bill, projects would be eligible if they are in Lake Michigan or Lake Superior or their tributaries and are in a water body that DNR has identified, under the federal Clean Water Act, as being impaired and the source of the impairment is contaminated sediment.

Debt service costs are paid from the segregated environmental management account of the environmental fund and totaled $1,318,300 in 2017-18. Debt service is estimated at $1.9 million in 2018-19, and at $2.0 million in each of 2019-20 and 2020-21.

Joint Finance: Provide $4,000,000 BR instead of $25,000,000, to increase from $32 million to $36 million, the total amount of SEG-supported general obligation bonds authorized to pay for a portion of the costs of removal of contaminated sediment from certain water bodies.

2. DAM SAFETY BONDING

BR	$4,000,000

Governor/Joint Finance: Provide $4,000,000 in GPR-supported general obligation bonding authority for dam safety grants. No specific estimate of debt service payments is made for the program during the biennium. However, debt service on $4 million in general obligation bonds could be expected at approximately $280,000 annually for 20 years once all bonds are issued.

DNR administers the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns, public inland lake protection and rehabilitation districts, and other dam owners for the repair, reconstruction, or removal of dams. To qualify for a grant, a dam must be inspected and be under a DNR directive to repair or remove the dam. A total of $32.1 million in bonding revenues for dam safety grants

has been authorized by the Legislature for this program, including $4 million in each biennium since 2009-11.

3. INCREASE FUNDING FOR LAKE AND RIVER PROTECTION GRANT PROGRAMS [LFB Paper 527]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$2,915,800	- $2,915,800	$0

Governor: Provide an additional $747,400 for lake protection grants and $710,500 for river protection grants each year of the biennium from the water resources account of the conservation fund. The Governor's recommendations would budget lake protection grants at $3 million each year, and river protection grants at $1 million each year.

Both lake protection and river protection grants are provided for projects that improve surface water quality. Grantees include counties, towns, villages, cities, nonprofit conservation organizations, qualified lake or river associations, town sanitary districts, and public inland lake districts, among others. Eligible projects vary between programs, but generally include: (a) purchase of land or conservation easements; (b) restoration of wetlands and shoreline habitat; (c) development of local regulations that protect or improve water quality; (d) installation of pollution control practices; (e) assessments of water quality and wildlife habitat; (f) nonpoint source pollution evaluation; and (g) informational or educational materials.

Joint Finance: Delete provision.

4. TOTAL MAXIMUM DAILY LOAD IMPLEMENTATION GRANT PROGRAM AND BONDING [LFB Paper 528]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$194,800	1.00	- $194,800	- 1.00	$0	0.00
BR	$4,000,000		- $4,000,000		$0	

Governor: Provide $4,000,000 in SEG-supported general obligation bonding for water pollution control infrastructure grants. Specify that bonding revenues would support grants to municipalities and counties for infrastructure projects that control water pollution in watersheds with a federally approved total maximum daily load (TMDL) plan. Additionally, provide 1.0 position with $76,600 annually in a conservation fund (split-funded) operations appropriation to administer these grants. Require DNR to promulgate rules for the administration of these grants. Further, create an appropriation within the water resources account of the conservation fund to support principal and interest payments on these bonds. Estimate the first payment of debt service

at $41,600 in 2020-21.

Under Section 303(d) of the Clean Water Act, DNR is required by the Environmental Protection Agency (EPA) to report biennially on all waters it has identified as impaired, meaning they do not meet water quality standards. DNR is then required to develop a TMDL plan for all waters identified as impaired and submit it to EPA for approval. TMDLs study pollution in a water body and set goals to limit total point source and nonpoint source pollution to a level that will allow the water body to meet water quality standards. Approved TMDLs include the Lower Fox River, Milwaukee River, Rock River, St. Croix River, and Wisconsin River watersheds. A full map of approved TMDLs is available on DNR's website.

Joint Finance: Delete provision.

5. TOTAL MAXIMUM DAILY LOAD IMPLEMENTATION POSITIONS

	Positions
FED	1.00
PR	1.00
SEG	2.00
Total	4.00

Governor/Joint Finance: Provide 1.0 FED, 1.0 PR and 2.0 water resources (conservation fund) SEG four-year project positions within the Division of Environmental Management to facilitate implementation of total maximum daily load (TMDL) plans. No new funding is provided for the positions, which would be funded by a reallocation of existing supplies and services and LTE salary and fringe benefits costs. Converted amounts by fund source and appropriation are shown in the table below.

TMDL Positions Reallocation

			Converted Funding	
Appropriations	Fund	Positions	2019-20	2020-21
Water quality operations - private and public sources	PR	1.00	$54,100	$72,200
Water quality operations - federal funds	FED	1.00	54,100	72,200
Water resources management - lake, river, and invasive species management	SEG	2.00	108,200	144,400
Total			$216,400	$288,800

The administration indicates it intends for these positions to coordinate implementation of TMDLs in the Milwaukee River, Rock River, St. Croix River, and Wisconsin River watersheds, which have been approved by EPA and are in the process of being implemented.

6. CONCENTRATED ANIMAL FEEDING OPERATION FEES AND REGULATORY POSITIONS [LFB Paper 529]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$0	0.00	$30,800	- 1.00	$30,800	- 1.00
PR	850,000	5.00	- 680,000	- 4.00	170,000	1.00
Total	$850,000	5.00	$649,200	- 5.00	$200,800	0.00
GPR-REV	$0		- $162,600		- $162,600	
PR-REV	630,000		- 467,400		162,600	

Governor: Increase the fee paid by Wisconsin pollutant discharge elimination system (WPDES) permit holders that operate concentrated animal feeding operations (CAFOs) from $345 annually to $660 annually, and establish a fee of $3,270 upon initial issuance of a permit and every five years thereafter. Create a PR continuing appropriation within the Division of External Services to receive the five-year $3,270 fee and $315 of the annual $660 fee. Provide 5.0 positions within this continuing appropriation, and estimate its expenditures at $425,000 each year during the biennium.

The bill as written does not specify when the issuance fee first would be assessed for already permitted CAFOs. The administration indicates it intends that current CAFOs would begin paying this fee upon renewal of their permits. Based on this intent, the proposal would be estimated to produce additional revenues of $315,000 PR annually. Combined with current fee revenues totaling approximately $81,300 GPR and $30,900 PR annually, CAFO fees would be expected to generate approximately $427,200 annually under the bill. As a result, CAFOs under the bill would pay annual permit fees of $660, plus permit issuance and renewal fees of $3,270 every five years. Fees would be deposited into one of two PR appropriations, except $250 of each annual permit fee would be deposited in the general fund, as under current law.

In addition, the bill would modify the current requirement that $95 of the annual CAFO permit fee be deposited into a PR appropriation within the Division of Environmental Management, and instead require its deposit into a Division of External Services PR appropriation separate from the PR appropriation created under the bill.

Current law requires that DNR report to the Joint Committee on Finance and other relevant standing committees of the Legislature on the use of the $95 PR portion of the annually assessed CAFO fee. Under the bill, this requirement would no longer apply. The administration indicates it intended to preserve this reporting requirement when it transferred the deposit of fees to the Division of External Services.

DNR is responsible for regulating CAFOs as point sources of discharges with WPDES permits issued under s. 283.31 of the statutes. Permits are issued with five-year terms, and DNR reports 304 permitted CAFOs in Wisconsin as of January 1, 2019. In 2018-19, CAFO permitting oversight is budgeted approximately 22.0 positions and $2.2 million from various fund sources. CAFOs are defined as large-scale animal feeding operations of 1,000 animal units or more and

some smaller operations with certain discharges of pollutants into state waters. Measurement in animal units adjusts for the relative size and manure production of different animals, with 700 dairy cows, 1,000 beef cattle, and 125,000 broiler chickens each approximating 1,000 animal units.

Joint Finance: Provide the following under DNR's concentrated animal feeding operations (CAFO) regulatory program: (a) 1.0 nonpoint SEG engineer; (b) 0.5 nonpoint SEG hydrogeologist; (c) 1.0 nonpoint SEG central permit intake position; (d) 0.5 nonpoint SEG complex permit reviewer; and (e) 1.0 PR permit reissuance coordinator. Provide funding of $310,000 nonpoint SEG annually and $85,000 PR annually to support these positions. Delete 4.0 vacant environmental fund SEG positions and $294,600 annually. Specify that positions would be supported by the appropriations created below.

Convert the $250 portion of the annual CAFO fee that is deposited into the general fund ($81,300 annually) to PR. Create a PR continuing appropriation within the Division of External Services for the purposes of regulating animal feeding operations under Chapters 281 and 283 of the statutes, and to receive all PR CAFO fees. Create a nonpoint SEG annual appropriation within the Division of External Services for the purposes of regulating animal feeding operations under Chapters 281 and 283 of the statutes. Additionally, require DNR to report annually to the Joint Committee on Finance, and other standing committees concerned with agriculture and the environment, on the expenditure of funds from these nonpoint SEG and PR appropriations.

7. TRANSFER FUNDING OF CONCENTRATED ANIMAL FEEDING OPERATION REGULATORY POSITIONS [LFB Paper 529]

Governor: Transfer 9.5 nonpoint SEG positions and $864,300 annually within the Division of External Services from DNR's nonpoint source general program operations appropriation to its environmental fund general program operations appropriation. The positions and funding are associated with regulation of concentrated animal feeding operations (CAFOs).

The transfer of funding is intended to align the positions with their statutory authorization for regulation of CAFOs. Under current law, the transferring nonpoint source general program operations appropriation does not have language specifically authorizing its use for CAFO regulatory activities, while the receiving environmental fund general program operations appropriation has language sufficiently broad to accommodate CAFO regulatory activities. The transferred funding and positions would remain budgeted under the nonpoint account of the environmental fund.

Joint Finance: Transfer funding and positions to the nonpoint SEG appropriation created under the previous item.

8. TRANSFER FROM ENVIRONMENTAL MANAGEMENT ACCOUNT TO NONPOINT ACCOUNT [LFB Paper 525]

Joint Finance: Transfer $6,150,000 annually on an ongoing basis from the environmental management account to the nonpoint account, both are which are part of the segregated

environmental fund. The bill would exclude the following from annual transfers: (a) certain site-specific or other dedicated revenues, such as for the e-cycle program; (b) settlements of court cases and certain cost recoveries; (c) federal funds for certain program purposes; and (d) cooperative remedial action receipts.

9. RURAL NONPOINT SOURCE BONDING

BR	$6,500,000

Governor/Joint Finance: Provide $6,500,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants. Bond proceeds support the targeted runoff management (TRM) program and provide for the installation of structures in rural settings to improve water quality by preventing soil erosion and animal waste runoff. State funding under TRM grants typically may fund 70% of eligible project costs, up to a cap of $150,000 or $1 million, depending on the scope of the project. Bonding authority also may be disbursed as grants under a separate program to address runoff only from animal feeding operations that have been issued a notice of discharge (NOD) or notice of intent (NOI) to issue a notice of discharge.

The 2017-19 budget act authorized $6.15 million in additional bonding for the TRM and NOD/NOI programs, the 2015-17 budget act provided $5.9 million, and $7 million was provided in each of the four earlier biennial budget acts beginning with 2007-09. Principal and interest payments on the bonds are paid from the nonpoint account of the environmental fund. This debt service is budgeted at $2.3 million SEG in 2019-20 and $2.4 million SEG in 2020-21.

10. URBAN NONPOINT SOURCE BONDING

BR	$4,000,000

Governor/Joint Finance: Provide $4,000,000 in SEG-supported general obligation bonding for the urban nonpoint source and storm water management (UNPS) and municipal flood control and riparian restoration (MFC) programs. UNPS program bonds support structural projects to improve state surface water quality by managing storm water runoff in urban settings. The MFC program provides funding for flood-control or flood-proofing projects in urban settings, including property acquisition and structure removal. UNPS construction projects are eligible for 50% state funding up to $150,000. MFC projects are eligible for 50% state funding, up to 20% of the amount available each two-year grant cycle. DNR determines allocations to each program over the course of the biennium.

Previously, $3.7 million in new bonding authority was provided in 2017-19 and 2015-17, $5 million was provided in 2013-15, and $6 million was provided in each of the three earlier biennial budget acts beginning with 2007-09. Principal and interest payments on bonds issued for the UNPS and MFC programs are supported by the nonpoint account of the environmental fund. This debt service is budgeted at $3.5 million SEG annually in the 2019-21 biennium.

11. NONPOINT SOURCE GRANTS [LFB Paper 530]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$800,000	- $600,000	$200,000

Governor: Provide $400,000 nonpoint account (environmental fund) SEG annually for nonpoint source grants. These funds customarily have been allocated by DNR for targeted runoff management (TRM) grants to support non-structural practices required of TRM projects. Additionally, some funds are allocated under a companion program to cost-share the installation of pollution abatement practices at animal feeding operations that have been issued a notice of discharge for impermissible manure runoff. Funding of $100,000 nonpoint SEG for these purposes was provided on a one-time basis in the 2017-19 biennium.

Joint Finance: Instead of ongoing funding of $400,000 each year, provide $100,000 nonpoint SEG annually on a one-time basis during the 2019-21 biennium for nonpoint source grants.

12. NONPOINT CONTRACTS [LFB Paper 531]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,460,000	- $460,000	$1,000,000

Governor: Provide an additional $730,000 nonpoint account (environmental fund) SEG each year for nonpoint source contracts. 2017 Act 59 provided $767,600 each year for nonpoint contracts, consisting of $267,600 in base funding and $500,000 in one-time funding during the biennium. Prior to Act 59, funding for nonpoint source contracts had been $997,600 each year since 2003-04. Under the Governor's proposal, nonpoint contracts would be budgeted at $997,600 each year.

DNR is authorized to contract for informational, educational, training, or research projects that assist implementation of state nonpoint source water pollution abatement programs. Most contracts have historically funded projects of UW-Extension and other UW System institutions. Recent contracts have supported the Natural Resources Education program at UW-Extension, the Center for Land Use Education (CLUE) at UW-Stevens Point, groundwater monitoring, nutrient management planning software development and maintenance, and nonpoint runoff research.

Joint Finance: Provide an additional $500,000 nonpoint SEG on a one-time basis each year during the 2019-21 biennium, $230,000 less than the Governor's proposed additional $730,000 each year in ongoing funding. Nonpoint contracts would be budgeted at $767,600 during the 2019-21 biennium.

13. WELL COMPENSATION GRANT PROGRAM [LFB Paper 532]

Governor: Make several changes to eligibility for the well compensation grant program. The program provides grants for a portion of the costs of replacing, reconstructing, or treating contaminated wells that serve certain private residences or are used for watering livestock. Grants can also pay costs for well abandonment. Maintain base funding of $200,000 environmental management account SEG annually, in a continuing appropriation. (While the Governor's Budget in Brief states that the appropriation would be increased by $800,000 in each of 2019-20 and 2020-21, the bill does not include this change.) Include the following changes:

a. Increase to $100,000 the maximum annual family income of the landowner or lessee of the property on which the contaminated well is located; the current limit is $65,000.

b. Delete the requirement that the grant is reduced by 30% of the amount by which the claimant's family income exceeds $45,000. Maintain the requirement that a project's maximum eligible costs is $16,000. Maintain the requirement that the maximum award would be not more than 75% of eligible costs, which is $12,000. Under the bill, any eligible applicants with income up to $100,000 who have the maximum eligible costs of $16,000 would be eligible for the maximum grant of $12,000.

c. As an exception to providing an award of 75% of eligible costs, authorize (but not require) DNR to award a grant of up to 100% of eligible costs if the annual family income of the claimant is below the median family income for the state, as determined by the U.S. Bureau of the Census. The bill would maintain the current requirement that the claimant pay a $250 copayment unless the claim is solely for well abandonment. (According to the U.S. Census Bureau American Community Survey 2013-17 average estimates, the estimated Wisconsin median family income was $72,542, and the estimated 2017 Wisconsin median household income was $56,759.)

d. Delete the current requirement that if a claim is based on contamination by nitrates and not by any other substance, DNR may make a well compensation award only if the well: (1) is used as a source of drinking water for livestock or for both livestock and a residence; (2) is used at least three months of each year and while in use provides an estimated average of more than 100 gallons per day for consumption by livestock; and (3) produces water containing nitrates exceeding 40 parts per million (ppm) nitrate nitrogen. This would make residential wells with nitrate contamination eligible for the program.

e. Add to the definition of contaminated well or contaminated private water supply a well or private water supply that produces water with a concentration of at least 10 parts per billion of arsenic or 10 parts per million of nitrate nitrogen.

f. Create an exception to the current requirement that DNR must allocate money for the payment of claims according to the order in which completed claims are received. The exception would specify that if the well compensation grant appropriation has insufficient funds to pay claims, DNR would be authorized (but not required), for claims based on nitrate contamination, to allocate money for the payment of claims in the following order of priority: (1) claims based on water containing more than 40 ppm nitrate nitrogen; (2) claims based on water containing more than 30 but not more than 40 ppm nitrate nitrogen; (3) claims based on water containing more than

25 but not more than 30 ppm nitrate nitrogen; (4) claims based on water containing more than 20 but not more than 25 ppm nitrate nitrogen; and (5) claims based on water containing more than 10 but not more than 20 ppm nitrate nitrogen.

Joint Finance: Delete provision. In addition, provide $400,000 in each of 2019-20 and 2020-21 in the Joint Committee on Finance SEG supplemental appropriation. The funds could be released by the Committee pursuant to a DNR request for the funds under s. 13.10 of the statutes. Funds provided to the Committee's appropriation are shown under "Program Supplements."

14. PFAS MODEL AND STUDY [LFB Paper 533]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$200,000	- $200,000	$0
SEG	0	200,000	200,000
Total	$200,000	$0	$200,000

Governor: Provide $200,000 in 2019-20 to the remediation and redevelopment program in the Division of Environmental Management for the following activities related to per- and polyfluoroalkyl substances (PFAS): (a) $150,000 to develop a departmentwide model to identify and prioritize sites with likely PFAS; and (b) $50,000 to conduct a survey of local and state emergency responders to determine the level of use of PFAS-containing firefighting foam. PFAS are a large group of human-made chemicals that have been used to manufacture firefighting foam and consumer products such as nonstick cookware. They do not break down easily in the environment. The U.S. Environmental Protection Agency (EPA) has established health advisories for two types of PFAS and is studying the development of other regulatory actions related to PFAS. The state Department of Health Services is studying whether to recommend a groundwater quality standard for PFAS, which could potentially be used in future state regulatory actions related to cleanup of concentrations of PFAS that exceed those standards.

Joint Finance: Provide $200,000 environmental management SEG instead of $200,000 GPR.

15. TRANSFER ABANDONED TANK REMOVAL PROGRAM TO DATCP [LFB Paper 534]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $344,200	- 1.00	$344,200	1.00	$0	0.00

Governor: Delete $172,100 from the petroleum inspection fund and 1.0 position annually to transfer the abandoned tank removal program to the Department of Agriculture, Trade and Consumer Protection (DATCP). The transferred annual funding would include $100,000 for

removal of certain abandoned underground petroleum product storage tank systems, and $72,100 for salary and fringe benefits of the transferred position. Under the current program, DNR contracts to remove abandoned tanks if the owner of the system is unable to pay for the removal. The program statutes would be renumbered from DNR to DATCP, and funding would be removed from the separate DNR tank removal appropriation. However, the DNR tank removal appropriation would remain in the statutes and would not be transferred. [See "Agriculture, Trade and Consumer Protection" for the provision of funding in that agency.]

Provide that on the effective date of the bill, 1.0 DNR position (including any incumbent employees holding this position), assets and 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 any contracts transferred from DNR related to the program, unless modified or rescinded by DATCP to the extent allowed by the contract. Provide that any matter pending with DNR related to the program would be transferred to DATCP. 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. Provide that incumbent employees transferred to DATCP would retain their employee rights and status held immediately before the transfer, and provide that employees transferred to DATCP who have attained permanent status would not be required to serve a probationary period.

Joint Finance: Delete provision, which would maintain the program in DNR.

16. PECFA PROGRAM SUNSET [LFB Paper 535]

Governor: Change the deadline for submittal of a claim for the reimbursement of eligible costs under the petroleum environmental cleanup fund award (PECFA) program from June 30, 2020, to June 30, 2021.

The PECFA program reimburses owners for a portion of the cleanup costs of discharges from petroleum product storage systems (primarily gas stations) and home heating oil systems. The program is funded from a portion of a 2¢ per gallon petroleum inspection fee, which is deposited in the segregated petroleum inspection fund. Under 2015 Act 55, a deadline was established under which a person must submit a PECFA claim before July 1, 2020, to be eligible for reimbursement under the program. The bill would maintain base funding of $7,500,000 petroleum inspection SEG each year in a biennial appropriation.

Joint Finance: Delete provision, which would maintain the current PECFA claim submittal deadline of June 30, 2020. In addition, transfer $7,500,000 from 2020-21 to 2019-20 for claims, to maintain $15 million for claims in 2019-21, and provide all of it in 2019-20, in the current biennial appropriation.

PROGRAM SUPPLEMENTS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$21,682,000	$21,682,000	$122,607,700	$100,925,700	465.5%	$100,925,700	465.5%
PR	0	0	2,082,600	2,082,600	N.A.	2,082,600	N.A.
SEG	0	0	800,000	800,000	N.A	800,000	N.A.
TOTAL	$21,682,000	$21,682,000	$125,490,300	$103,808,300	478.8%	$103,808,300	478.8%

FTE Position Summary

There are no authorized positions for Program Supplements.

1. 2019-21 BASE FUNDING

Appropriations	2019-20	2020-21
Discretionary Merit Compensation Program	$6,000,000	$6,000,000
Maintenance of Capitol and Executive Residence	4,508,900	4,508,900
Groundwater Survey and Analysis	182,500	182,500
Joint Committee on Finance -- Program Supplementation	133,600	133,600
Executive Residence Furnishings Replacement	10,200	10,200
Physically Handicapped Supplements	5,800	5,800
Total	$10,841,000	$10,841,000

2. JOINT COMMITTEE ON FINANCE APPROPRIATION FOR AGENCY SUPPLEMENTS [LFB Papers 115, 138, 363, 371, 407, 417, 442, 532, 571, and 690]

GPR	$108,325,700
PR	2,082,600
SEG	800,000
Total	$111,208,300

Joint Finance: Add the amounts identified in the table below to the Committee's supplemental appropriations.

Joint Committee on Finance Supplemental Appropriations

Agency	Purpose	Funding Amount 2019-20	Funding Amount 2020-21	Fund Source
Administration	Homeless Prevention Initiatives	$3,250,000	$3,250,000	GPR
Administration	Homeless Prevention Initiatives	500,000	500,000	PR
DATCP	Farmer Mental Health Assistance	100,000	100,000	GPR
Health Services	Physician and Behavioral Health Services	5,000,000	5,000,000	GPR
Health Services	Children's Long Term Care Intake, Application, and Screening	444,700	416,500	GPR
Health Services	Telehealth Expansion	1,088,200	1,692,900	GPR
Health Services	Substance Abuse Hub and Spoke Treatment Model	0	89,900	GPR
Health Services	Physical Health Service Provider Reimbursement	500,000	500,000	GPR
Health Services	Nitrate Testing for Private Wells	3,000,000	0	GPR
Health Services	FSET- Required Participation by Able-Bodied Adults	4,893,300	15,659,800	GPR
Health Services	Overtime Supplement	3,878,400	3,878,400	GPR
Insurance	Healthcare Outreach Grants	541,300	541,300	PR
Natural Resources	Well Compensation Grant Program	400,000	400,000	SEG
Public Instruction	HOPELINE Suicide Prevention Hotline	110,000	110,000	GPR
Tourism	Marketing Funding	781,800	781,800	GPR
UW System	UW System Funding	22,500,000	22,500,000	GPR
UW System	UW System Dairy Initiative	1,000,000	7,800,000	GPR
	Total	$47,887,700	$63,120,600	Total
		46,546,400	61,779,300	GPR
		1,041,300	1,041,300	PR
		400,000	400,000	SEG

3. DISCRETIONARY MERIT COMPENSATION REDUCTION FOR CORRECTIONS EMPLOYEES

GPR	- $7,400,000

Joint Finance: Reduce the discretionary merit compensation program appropriation by $3,700,000 GPR annually. Specify that the Department of Corrections may not request a supplement from the appropriation for the cost of discretionary merit compensation awards.

Base funding for the discretionary merit compensation program, created under 2015 Act 150, is $6,000,000 GPR annually. The provision reduces funding for the program to $2,300,000 GPR annually. The program provides appointing authorities the discretion to provide employees economic recognition for merit. While appointing authorities have discretion in providing employees discretionary merit compensation awards, such awards must be made under the policy guidelines established each fiscal year by the Department of Administration's Division of Personnel Management (DPM) and must generally be approved by DPM prior to being granted, unless DPM delegates this authority to the appointing authority. Awards funded from the discretionary merit compensation program are given as lump sum awards.

PUBLIC DEFENDER

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$174,482,600	$205,811,200	$205,737,100	- $74,100	0.0%	$31,254,500	17.9%
PR	2,780,400	2,877,600	2,877,600	0	0.0	97,200	3.5
TOTAL	$177,263,000	$208,688,800	$208,614,700	- $74,100	0.0%	$31,351,700	17.7%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	609.85	609.85	609.85	0.00	0.00
PR	5.00	5.00	5.00	0.00	0.00
TOTAL	614.85	614.85	614.85	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$4,251,700
PR	97,200
Total	$4,348,900

Governor/Joint Finance: Provide adjustments to the base totaling $2,075,600 GPR and $48,000 PR in 2019-20 and $2,176,100 GPR and $49,200 PR in 2020-21. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits ($272,400 GPR and $41,700 PR annually); (b) overtime ($210,900 GPR and $2,800 PR annually); (c) full funding of lease and directed moves costs ($331,700 GPR and $3,500 PR in 2019-20 and $432,200 GPR and $4,700 PR in 2020-21), and (d) reclassifications and semiautomatic pay progression associated with 2017-19 ($1,260,600 GPR annually).

2. PAY PROGRESSION [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,277,500	- $74,100	$1,203,400

Governor: Provide $320,600 in 2019-20 and $956,900 in 2020-21 to support pay progression plan for assistant state public defender (ASPD) attorneys. The ASPD pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest annual salary ($52,291) and the highest annual salary ($126,339). The value of one hourly salary step equals $4,356 annually. Notwithstanding the creation of a 17 hourly salary step pay progression plan, the State Public Defender is authorized to: (a) deny annual salary increases to individual ASPDs; and (b) increase the salary of individual ASPDs by up to 10% per year. Funding under the bill is intended to equal a 2% increase for all ASPDs on January 1, 2020 and 2021.

Joint Finance: Reduce funding provided to the SPD for pay progression by $20,300 in 2019-20 and $53,800 in 2020-21 to reflect a reestimate of the cost of providing a 2% average increase for eligible ASPDs on January 1, 2020, and January 1, 2021.

3. PRIVATE BAR COSTS [LFB Paper 545]

GPR	$362,600

Governor/Joint Finance: Provide $362,600 in 2019-20 as an estimate of funding to pay private bar attorney costs at $40 per hour before the proposed rate increase to $70 on January 1, 2019 (see Item #4 below). The State Public Defender employs trial and appellate attorneys who represent clients who qualify for SPD representation. However, staff attorneys cannot represent all clients who qualify for SPD representation. Overflow cases and cases in which staff attorneys may have a conflict of interest are assigned to private bar attorneys throughout the state, at a rate of $40 per hour for time spent related to a case, and $25 per hour for travel. Base funding for private bar and investigator reimbursements is $25,354,100. Funding provided is intended to reflect the actual costs to provide reimbursement to private bar attorneys at the current reimbursement rate.

4. PRIVATE BAR ATTORNEY COMPENSATION [LFB Paper 545]

GPR	$25,281,600

Governor: Provide $8,668,900 in 2019-20 and $16,612,700 in 2020-21 and modify current law to increase the rate at which private bar attorneys are compensated from $40 per hour to $70 per hour. In addition, grant the SPD authority to modify rules to reflect the changes in the rate. Provide that the private bar rate be adjusted biennially by a percentage equal to the average of the consumer price index over the preceding 12-month period, all items, U.S. city average, as determined by the Bureau of Labor Statistics of the Federal Department of Labor. The increase in hourly compensation would apply to cases assigned on or after January 1, 2020.

Joint Finance: Delete statutory language allowing for the private bar hourly rate to be adjusted biennially by a percentage equal to the average CPI over the preceding 12-month period.

5. INTERPRETER FUNDING

GPR	$155,200

Governor/Joint Finance: Provide $77,600 annually to support payments for interpreters.

Base funding for interpreters within the larger program operations appropriation is $9,500. In recent years, base funding has not funded all interpreter costs and, as a result, the SPD has reallocated funding from trial representation and appellate representation to support the costs of interpreters. In 2017-18, the SPD incurred $87,100 in interpreter costs.

PUBLIC INSTRUCTION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$12,582,092,400	$14,175,452,300	$13,237,514,100	- $937,938,200	- 6.6%	$655,421,700	5.2%
FED	1,761,404,600	1,762,171,600	1,762,171,600	0	0.0	767,000	0.0
PR	93,769,200	94,924,600	94,562,400	- 362,200	- 0.4	793,200	0.8
SEG	114,249,800	124,096,900	122,596,900	- 1,500,000	- 1.2	8,347,100	7.3
TOTAL	$14,551,516,000	$16,156,645,400	$15,216,845,000	- $939,800,400	- 5.8%	$665,329,000	4.6%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	252.47	257.47	252.47	- 5.00	0.00
FED	319.84	311.84	311.84	0.00	- 8.00
PR	76.69	76.69	76.69	0.00	0.00
TOTAL	649.00	646.00	641.00	- 5.00	- 8.00

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION [LFB Paper 550]

Governor: Provide $6,236,960,300 in 2019-20 and $8,032,250,800 in 2020-21 for general and categorical school aids. Compared to the 2018-19 base level funding of $5,899,757,400, school aids would increase by $337,202,900 (5.7%) in 2019-20 and $2,132,493,400 (36.1%) in 2020-21. These proposed funding levels would represent annual changes to the prior year of 5.7% in 2019-20 and 28.8% in 2020-21. The 2020-21 funding includes $1,090,000,000 that would be transferred from the school levy and first dollar credits to general school aids, and would be paid in July of 2021. If this transfer is subtracted from state aid in 2020-21, the proposed funding level in that year would represent a 17.7% change to the base and a 11.3% increase to the prior year.

Under the definition of state funding for support of K-12 education (the sum of state general and categorical school aids, the school levy and first dollar credits, and the general program operations appropriation for the program for the deaf and the center for the blind), the bill would increase state support from the base amount of $7,000,676,300 in 2018-19 to $7,338,888,700 in 2019-20 and $8,044,179,200 in 2020-21. These proposed funding levels would represent annual changes to the prior year of 4.8% in 2019-20 and 9.6% in 2020-21.

Using the definition of partial school revenues (the sum of state school aids and property taxes levied for school districts), the administration estimates that state support of partial school revenues would increase from 65.4% in 2018-19 to approximately 66.7% in 2019-20 and 68.6% in 2020-21. These estimates incorporate the state support funding in the bill, which is presented in Table 1.

Joint Finance: Provide $6,029,727,700 in 2019-20 and $6,272,949,700 in 2020-21 for general and categorical school aids. Compared to the Governor's recommendations, school aids would be reduced by $207,232,600 in 2019-20 and $1,759,301,100 in 2020-21. If the $1,090,000,000 transfer from the school levy and first dollar credits under the Governor's recommendations is excluded, the 2020-21 reduction would be $669,301,100. Compared to the 2018-19 base year, school aids would increase by $129,970,300 (2.2%) in 2019-20 and $373,192,300 (6.3%) in 2020-21. These proposed funding levels would represent annual changes to the prior year of 2.2% in 2019-20 and 4.0% in 2020-21.

Using the traditional definition of state support of K-12 education, total funding would increase from $7,000,676,300 in 2018-19 to $7,131,656,100 in 2019-20 and $7,374,878,100 in 2020-21. These funding levels would represent annual changes to the prior year of 1.9% in 2019-20 and 3.4% in 2020-21. With the changes to K-12 school finance adopted by Joint Finance, it is estimated that state support of partial school revenues under the traditional definition would be 65.1% in 2019-20 and 65.5% in 2020-21. A summary of the funding amounts for state support under the recommendations of the Governor and Joint Finance is presented in Table 1.

TABLE 1

State Support for K-12 Education

		Governor		Joint Finance	
State Funding	Base Year	2019-20	2020-21	2019-20	2020-21
General School Aids	$4,673,678,000	$4,878,678,000	$6,177,500,000	$4,756,878,000	$4,920,420,000
Categorical Aids	1,226,079,400	1,358,282,300	1,854,750,800	1,272,849,700	1,352,529,700
School Levy Tax Credit	940,000,000	940,000,000	0	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	0	150,000,000	150,000,000
State Residential Schools	10,918,900	11,928,400	11,928,400	11,928,400	11,928,400
Total	$7,000,676,300	$7,338,888,700	$8,044,179,200	$7,131,656,100	$7,374,878,100
Change to Prior Year:					
Amount		$338,212,400	$705,290,500	$130,979,800	$243,222,000
Percent		4.8%	9.6%	1.9%	3.4%
Change to Base:					
Amount		$338,212,400	$1,043,502,900	$130,979,800	$374,201,800
Percent		4.8%	14.9%	1.9%	5.3%

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the funding recommendations of the Governor and Joint Finance for each general and categorical school aid program as compared to the 2018-19 base funding level. The recommendations of the Governor and Joint Finance relating to individual school aid programs are summarized in the items that follow.

TABLE 2

State Support for K-12 Education by Fund Source

		Governor		Joint Finance	
	Base Year	2019-20	2020-21	2019-20	2020-21
GPR					
General School Aids	$4,673,678,000	$4,878,678,000	$6,177,500,000	$4,756,878,000	$4,920,420,000
Categorical Aids	1,171,587,700	1,308,915,600	1,804,221,900	1,215,958,000	1,294,738,000
School Levy Tax Credit	940,000,000	940,000,000	0	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	0	150,000,000	150,000,000
State Residential Schools	10,918,900	11,928,400	11,928,400	11,928,400	11,928,400
GPR Subtotal	$6,946,184,600	$7,289,522,000	$7,993,650,300	$7,074,764,400	$7,317,086,400
PR					
Categorical Aids	$1,507,500	$1,507,500	$1,769,700	$1,507,500	$1,507,500
SEG					
Categorical Aids	$52,984,200	$47,859,200	$48,759,200	$55,384,200	$56,284,200
Total State Support - All Funds	$7,000,676,300	$7,338,888,700	$8,044,179,200	$7,131,656,100	$7,374,878,100

TABLE 3

General and Categorical School Aid by Funding Source
2018-19 Base Year Compared to the Governor's and Joint Finance Committee's Budget

Agency	Type and Purpose of Aid	2018-19 Base Year	Governor 2019-20	Governor 2020-21	Joint Finance 2019-20	Joint Finance 2020-21
	General Aid					
DPI	General School Aids	$4,656,848,000	$4,861,848,000*	$6,170,000,000**	$4,740,048,000	$4,903,590,000
	High Poverty Aid	16,830,000	16,830,000	0	16,830,000	16,830,000
	Hold Harmless Aid	0	0	7,500,000	0	0
	Total General Aid	$4,673,678,000	$4,878,678,000	$6,177,500,000	$4,756,878,000	$4,920,420,000
	Categorical Aid--GPR Funded					
DPI	Special Education	$368,939,100	$444,000,000	$900,000,000	$384,472,300	$450,276,200
	High-Cost Special Education Aid	9,353,800	9,353,800	9,353,800	9,353,800	9,353,800
	Supplemental Special Education Aid	1,750,000	1,750,000	0	1,750,000	0
	Spec. Ed. Transitions Incentive Grants	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
	Transition Readiness Investment Grant	1,500,000	5,000,000	5,000,000	1,500,000	1,500,000
	Robots4Autism	0	0	0	25,000	25,000
	Per Pupil Aid	549,098,400	545,700,000	543,800,000	566,557,600	585,376,000
	Supplemental Per Pupil Aid	0	0	0	2,800,000	2,500,000
	Achievement Gap Reduction	109,184,500	109,184,500	109,184,500	109,184,500	109,184,500
	SAGE -- Debt Service	133,700	133,700	133,700	133,700	133,700
	Sparsity Aid	25,213,900	25,213,900	35,000,000	24,713,900	24,813,900
	Pupil Transportation	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
	High Cost Transportation	12,700,000	12,700,000	15,000,000	13,500,000	13,500,000
	Afterschool Program Grants	0	10,000,000	10,000,000	0	0
	Milwaukee Mathematics Partnership Grant	0	0	10,000,000	0	0
	Personal Electronic Computing Device Grants	9,187,500	9,187,500	0	9,187,500	9,187,500
	Bilingual-Bicultural Aid	8,589,800	17,100,000	35,400,000	8,589,800	8,589,800
	Bilingual-Bicultural Targeted Aid	0	0	3,400,000	0	0
	Bilingual-Bicultural Grants	0	0	2,500,000	0	0
	Bilingual-Bicultural Supplemental Aid	0	0	2,400,000	0	0
	Tuition Payments	8,242,900	8,242,900	8,242,900	8,242,900	8,242,900
	Head Start Supplement	6,264,100	6,264,100	6,264,100	6,264,100	6,264,100
	Educator Effectiveness Grants	5,746,000	5,746,000	5,746,000	5,746,000	5,746,000
	School Lunch	4,218,100	4,218,100	4,218,100	4,218,100	4,218,100
	County Children with Disabilities Educ. Boards	4,067,300	4,067,300	4,067,300	4,067,300	4,067,300
	Performance Improvement Grants	3,690,600	3,690,600	0	3,690,600	0
	Career and Technical Education Incentive Grants***	N.A.	3,500,000	3,500,000	N.A.	N.A.
	Mental Health Services Grants	3,250,000	10,250,000	10,250,000	6,500,000	6,500,000
	Aid for School Mental Health Programs	3,000,000	25,000,000	25,000,000	6,000,000	6,000,000
	School Breakfast	2,510,500	5,300,000	5,400,000	2,510,500	2,510,500
	Driver Education Aid	0	0	2,000,000	0	0
	Peer Review and Mentoring	1,606,700	1,606,700	1,606,700	1,606,700	1,606,700
	Summer School Grants - Urban Districts	1,400,000	5,000,000	5,000,000	1,400,000	1,400,000
	Early Childhood Educ. Grants - Urban Districts	0	0	5,000,000	0	0
	Community Engagement Grants - Urban Districts	0	1,000,000	1,000,000	0	0
	Principal Training and Support - Urban Districts	0	250,000	250,000	0	0
	Four-Year-Old Kindergarten Grants	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
	School Day Milk	617,100	1,000,000	1,000,000	1,000,000	1,000,000
	Teacher Development, Training and Recruitment***	N.A.	750,000	750,000	N.A.	N.A.
	Rural School Teacher Talent Pilot Program	500,000	500,000	500,000	1,500,000	1,500,000
	Minority Teacher Grant Program	0	500,000	500,000	0	0
	Technical Education Equipment Grants***	N.A.	500,000	500,000	N.A.	N.A.
	Aid for Transportation--Open Enrollment	454,200	454,200	454,200	454,200	454,200
	Robotics League Participation Grants	250,000	500,000	500,000	500,000	500,000
	Gifted and Talented	237,200	1,000,000	1,000,000	237,200	237,200
	Water Filtration Grants	0	250,000	250,000	0	0
	Grants to Lakeland STAR Schools	0	0	0	250,000	0
	Supplemental Aid	100,000	100,000	100,000	100,000	100,000
DOA	Debt Service -- Tech. Infrastructure Bonding	832,300	952,300	1,000,600	952,300	1,000,600
	Total Categorical Aid--GPR Funded	$1,171,587,700	$1,308,915,600	$1,804,221,900	$1,215,958,000	$1,294,738,000

Agency	Type and Purpose of Aid	2018-19 Base Year	Governor 2019-20	Governor 2020-21	Joint Finance 2019-20	Joint Finance 2020-21
	Categorical Aid--PR Funded					
DPI	AODA	$1,284,700	$1,284,700	$1,284,700	$1,284,700	$1,284,700
	Tribal Language Revitalization Grants	222,800	222,800	485,000	222,800	222,800
	Total Categorical Aid--PR Funded	$1,507,500	$1,507,500	$1,769,700	$1,507,500	$1,507,500
	Categorical Aid--SEG Funded					
DPI	School Library Aids	$37,000,000	$37,900,000	$38,800,000	$39,400,000	$40,300,000
DOA	Educ. Telecommunications Access Support	15,984,200	9,959,200	9,959,200	15,984,200	15,984,200
	Total Categorical Aid--SEG Funded	$52,984,200	$47,859,200	$48,759,200	$55,384,200	$56,284,200
	Total Categorical Aid--All Funds	$1,226,079,400	$1,358,282,300	$1,854,750,800	$1,272,849,700	$1,352,529,700
	Total School Aid--All Funds	$5,899,757,400	$6,236,960,300	$8,032,250,800	$6,029,727,700	$6,272,949,700

* Reflects the total amount of funding that would have been distributed through the formula for the 2019-20 school year; does not include the $75 million in funding that would have been appropriated in 2019-20 to buy back the current law delayed aid payment.

** Reflects the total amount of funding that would have been distributed through the formula for the 2020-21 school year; includes the $1,090 million in property tax credit funding that would have been reallocated to general aid but still paid in the 2021-22 fiscal year.

*** Appropriations previously made under other agencies that would have been transferred to DPI and included as categorical aids under the bill.

2. GENERAL SCHOOL AID BASE FUNDING INCREASE [LFB Paper 550]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$611,322,000	- $281,380,000	$329,942,000

Governor: Provide $205,000,000 in 2019-20 and $406,322,000 in 2020-21 for general school aids. Base level funding is $4,656,848,000.

Joint Finance: Delete $121,800,000 in 2019-20 and $159,580,000 in 2020-21 for general school aids. Under Joint Finance, general school aids funding would increase by $83,200,000 in 2019-20 and $246,742,000 in 2020-21 above base level.

3. BUYBACK OF CURRENT LAW GENERAL SCHOOL AID PAYMENT DELAY [LFB Paper 551]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$75,000,000	- $75,000,000	$0

Governor: Provide $75,000,000 in 2019-20 for general school aids and, beginning in the 2019-20 school year, delete the current law provisions under which the state annually pays that amount of aid on a delayed basis on the fourth Monday in July of the following school year. To distribute the correct amount of funding, specify that, for the purpose of calculating general school aid in the 2019-20 school year, DPI would treat the appropriation as if there were no buyback.

Under current law, equalization aid is distributed to districts according to the following payment schedule: 15% on the third Monday in September; 25% on the first Monday in December; 25% on the fourth Monday in March; and 35% on the third Monday in June. Total aid entitlements on each of the four dates are reduced by the percentage that generates the $75 million amount for the school year.

Joint Finance: Delete provision.

4. TWO-THIRDS FUNDING OF PARTIAL SCHOOL REVENUES [LFB Paper 552]

Governor: Beginning in 2020-21, restore the requirement that that state fund two-thirds of K-12 partial school revenues and the associated statutory provisions that existed prior to its repeal in the 2003-05 biennial budget, as modified to reflect changes to K-12 funding provisions in the intervening time.

Define "partial school revenues" as the sum of state school aids, property taxes levied for school districts, and computer aid payments to school districts, less the following: (a) the amount of any revenue limit increase due to a school board's increasing the services that it provides by adding responsibility for providing a service transferred to it from another school board; (b) the amount of any revenue limit increase due to a school board increasing the services that it provides by adding responsibility for providing a service that is transferred to it from another governmental unit for a child with a disability or for a limited-English proficient pupil; (c) the amount of any revenue limit increase due to a district depositing funds into a specified capital improvement fund; (d) the amount of property taxes levied for community service activities; (e) an amount equal to the net general aid reduction to the Milwaukee Public Schools' aid entitlement related to the Milwaukee private school choice program; and (f) the amount by which the property tax levy for debt service on referenda-approved debt referendum exceeds $490 million.

Define "state school aids" as the amounts appropriated under s. 20.255(2), which is the statutory subsection containing the aids for local educational programming, less the appropriations for federal and program revenue aid appropriations and the appropriations for the private school choice, independent charter school, and special needs scholarship programs, which are also under s. 20.255(2), plus the general program operations appropriation for the program for the deaf and hard of hearing and the center for the blind and visually impaired, plus the DOA appropriation for debt service costs for educational technology infrastructure financial assistance to school districts and the amount, as determined by the DOA Secretary, in the DOA appropriation for telecommunications access for educational agencies allocated for payments to telecommunications providers under contracts with school districts and cooperative educational service agencies and to make information technology infrastructure grants.

Require the Departments of Public Instruction and Administration and the Legislative Fiscal Bureau to jointly certify, by May 15, 2021, and annually by May 15 thereafter, to the Joint Committee on Finance an estimate of the amount necessary to appropriate in the general school aids appropriation in the following school year to ensure that state school aids equal two-thirds of partial school revenues. Require the Joint Committee on Finance, by June 30, 2020, and biennially by June 30 thereafter, to determine the amount appropriated in the general school aids

appropriation in following school year. Modify the general school aids appropriation from a sum certain appropriation to a sum sufficient equal to the amount determined by Joint Finance in the 2020-21 fiscal year and biennially thereafter, and equal to the amount determined by law in the 2021-22 fiscal year and biennially thereafter.

Joint Finance: Delete provision.

5. REALLOCATE PROPERTY TAX CREDIT FUNDING TO GENERAL SCHOOL AIDS APPROPRIATION

Governor: Eliminate the school levy tax credit and the first dollar tax credit beginning with the 2020(21) property tax year and, instead, distribute the base level of funding ($1,090 million) through the general school aids formula. Specify that the $1,090 million would be paid to school districts on the fourth Monday in July of the following school year, similar to the current law $75 million delayed payment of general school aid. Because the two credits are paid on a delayed basis in July under current law, there would be no increase in general fund expenditures in the 2019-21 biennium under this item. To distribute the correct amount of funding, specify that, for the purpose of calculating general school aid in the 2020-21 school year, DPI would treat the appropriation as if there were no payment delay. [See "Shared Revenue and Tax Relief -- Property Tax Credits" for more information on this item.]

A major objective of the equalization aid formula is tax base equalization. The formula operates under the principle of equal tax rate for equal per pupil expenditures. Districts with low per pupil property valuations receive a larger share of their costs through the formula than districts with high per pupil property valuations. The school levy tax credit ($940 million in 2018-19) is distributed based on each municipality's share of statewide levies for school purposes during the preceding three years multiplied by the annual amount appropriated for the credit and allocated proportionately to reduce individual owners' property tax bills. The first dollar credit ($150 million in 2018-19) is extended to each taxable parcel of real estate on which improvements are located and is calculated by multiplying the property's gross school tax rate by a credit base value determined by the Department of Revenue or the property's fair market value, whichever is less. These credits are shared with all levying units through the tax settlement process.

Joint Finance: Delete provision.

6. REALLOCATE HIGH POVERTY AID TO GENERAL SCHOOL AIDS APPROPRIATION [LFB Paper 553]

Governor: Eliminate high poverty aid and reallocate base funding of $16,830,000 to the general school aids appropriation, beginning in 2020-21.

High poverty aid is distributed to districts with at least 50% of their enrollment eligible for free or reduced-price lunch. Aid per pupil is calculated by dividing the amount of funding appropriated by the total membership in all eligible districts, with a district's total payment determined by multiplying that amount by each district’s membership.

Joint Finance: Delete provision.

7. WEIGHTING ECONOMICALLY DISADVANTAGED PUPILS IN PROPERTY VALUES [LFB Paper 553]

Governor: Specify that each economically disadvantaged pupil would be weighted by an additional 20% (be counted as 1.2 pupil rather than 1.0 pupil) for purposes of the membership count used in calculating equalized value per member under the general school aids formula, beginning with the 2020-21 distribution of general school aids. This would be accomplished by adding 20% of the number of pupils who satisfy the income eligibility criteria for a free or reduced-price lunch to each school district's membership for this calculation. DPI indicates that pupil membership would have increased by 63,900 (from 319,600 economically disadvantaged pupils) had the provision been in effect for the 2018-19 aid year.

Under current law, each full-time pupil in grades 1 through 12 is counted as 1.0 pupil in membership. Five-year-old kindergarten students are counted on a full-time equivalency basis, and four-year-old kindergarten students are counted as 0.5 or 0.6 pupil, depending upon the amount of outreach programming provided. The effect of using an additional 20% weight for low-income pupils when calculating equalized value per member is that the value per member calculation for districts with such pupils would be lower than under current law. Because each district's value per member is compared to three guarantees under the equalization formula, with the formula supplying aid to fund the portion of guaranteed tax base that the district is missing, a district that under this item has a lower value per member will generally receive more aid than otherwise. This provision would not, however, automatically result in a district receiving 20% more in aid for each low-income pupil.

Joint Finance: Delete provision.

8. SPECIAL ADJUSTMENT AID [LFB Paper 554]

Governor: Specify that special adjustment aid would be calculated based on 90% of a district’s prior year general aid payment, beginning with the 2020-21 distribution of general school aids.

Under current law, special adjustment aid is equal to the amount needed to make an eligible district's total general aid eligibility equal to 85% of the district’s prior year general aid payment. This item would raise the percentage to 90%, further limiting year-to-year declines in a district’s general aid payment.

Joint Finance: Delete provision.

9. MINIMUM AID [LFB Paper 555]

Governor: Beginning with the 2020-21 distribution of general school aids, specify that if the sum of a school district's equalization and special adjustment aid entitlements is less than an

amount equal to $3,000 per pupil multiplied by the district's aid membership, minimum aid would be paid in an amount equal to the difference between those two numbers.

Under current law, the formula does not include any provision relating to minimum aid, so that a school district with equalized value per member in excess of the primary guarantee ($1,930,000 per member) will not receive aid, although it may qualify for special adjustment aid. However, under current law, property taxpayers in every school district benefit from the school levy tax credit. Those taxpayers with an improvement on each taxable parcel benefit from the first dollar credit. These credits would be eliminated under the bill.

Joint Finance: Delete provision.

10. SECONDARY COST CEILING [LFB Paper 556]

Governor: Set the secondary cost ceiling at 100% of the prior year statewide shared cost per member, beginning with the 2020-21 distribution of general school aids.

Under current law, the secondary cost ceiling is set at 90% of the prior year statewide shared cost per member. Had this item applied for the 2018-19 aid distribution, the secondary cost ceiling would have been $10,810, rather than $9,729 as under current law. Under this item, more costs would have been aided at the secondary level with its more generous guarantee, so that the lower level of state aid under the tertiary guarantee would only apply to school districts for shared costs that exceed the statewide average.

Joint Finance: Delete provision.

11. HOLD HARMLESS AID [LFB Paper 557]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,500,000	- $7,500,000	$0

Governor: Create a sum sufficient appropriation from the general fund for hold harmless aid, and provide $7,500,000 for payments in 2020-21. Specify that if a school district would receive less in equalization aid in 2020-21, before any prior year aid adjustments are made, than it would receive from the sum of general aid, the school levy credit had it still been applicable, and high poverty aid had it still been applicable, the Department would pay the district an amount equal to the difference. Provide that, for a district from which territory is detached to create a new district, the district's prior year aid total would be adjusted by the proportion of pupil membership remaining in the district after the detachment. Provide that, for a consolidated school district, the district's prior year aid total would be the sum of the amounts received by the separate districts prior to consolidation.

Specify that hold harmless aid would be a general aid under revenue limits. Specify that no hold harmless aid could be paid after the 2020-21 school year.

Joint Finance: Delete provision.

12. REVENUE LIMIT PER PUPIL ADJUSTMENT [LFB Paper 550]

Governor: Set the per pupil adjustment under revenue limits at $200 in 2019-20 and $204 in 2020-21 and restore the prior law inflationary adjustment beginning in 2021-22.

Under revenue limits, the amount of revenue a school district can raise from general school aids, property taxes, and exempt property aids is restricted. A district's base revenue in a given year is equal to the restricted revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine its base revenue per pupil. Under current law, in 2018-19 and each year thereafter, no per pupil adjustment is made to base revenue per pupil to determine a district's current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's enrollments in the current and prior two years to determine the district's initial revenue limit.

Prior to 2009-10, the per pupil adjustment was adjusted for inflation, using the percentage change, if positive, in the consumer price index for all urban consumers between the preceding March and second-preceding March. The following table shows the per pupil adjustment under the proposal compared to current law.

Per Pupil Adjustment

	2018-19	2019-20	2020-21
Current Law	$0	$0	$0
Bill	0	200	204

Joint Finance: Set the per pupil adjustment under revenue limits at $175 in 2019-20 and $179 in 2020-21 and specify that there would be no per pupil adjustment beginning in 2021-22 and in each year thereafter.

13. LOW REVENUE ADJUSTMENT [LFB Paper 550]

Governor: Set the low revenue adjustment under revenue limits at $9,700 per pupil in 2019-20 and $10,000 per pupil in 2020-21 and each year thereafter, and delete the statutory provisions generally restricting otherwise-eligible districts from any low revenue adjustment increases for three years after a failed operating referendum.

Under the low revenue adjustment, if the sum of the base revenue per pupil and the revenue limit per pupil adjustment for a district is below the statutorily-specified amount, a district may increase its revenue to that amount. The low revenue adjustment amount in 2018-19 is $9,400 per pupil, with the three-year exception for districts with failed referenda. Under current law, that amount will increase by $100 per year, until it reaches $9,800 per pupil in 2022-23. The following table shows the low revenue adjustment amount under the bill compared to current law.

Low Revenue Adjustment -- Per Pupil Amount

	2018-19	2019-20	2020-21	2021-22	2022-23
Current Law	$9,400	$9,500	$9,600	$9,700	$9,800
Bill	9,400	9,700	10,000	10,000	10,000

Joint Finance: Set the low revenue adjustment under revenue limits at $9,700 per pupil in 2019-20 and $10,000 per pupil in 2020-21 and each year thereafter, but maintain the statutory provisions generally restricting otherwise-eligible districts from any low revenue adjustment increases for three years after a failed operating referendum.

14. REVENUE LIMIT ADJUSTMENT FOR LEAD TESTING AND REMEDIATION

Governor: Create a nonrecurring revenue limit adjustment, beginning in the 2020-21 school year, for lead testing and remediation projects.

Specify that the adjustment would be equal to the amount spent by the school district in a school year on a project to remediate lead contamination in drinking water in the district. Specify that the adjustment could be used for: (a) the payment of debt service on a bond or note issued or a state trust fund loan obtained to finance a project, and (b) for costs incurred by the district to test for the presence of lead in drinking water, to provide safe drinking water to affected school buildings during remediation, and, if necessary, to replace lead pipe water service lines to school buildings in the district. Specify that the term of a bond or note issued or state trust fund loan obtained to finance the project using this adjustment could not exceed 20 years.

Require a school board to adopt a resolution to increase its revenue limit under this provision. Provide that if a school board issues a bond or note or obtains a state trust fund loan to finance a project, a resolution adopted by a school board would be valid for each school year in which the school board pays debt service on the bond, note, or state trust fund loan.

Joint Finance: Delete provision.

15. FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP

Governor: Specify that a four-year-old kindergarten (K4) pupil enrolled in a program that requires full-day attendance by the pupil for five days a week would be counted as 1.0 pupil for membership purposes, beginning in 2020-21. This membership change would apply to school district revenue limits and general aid and payments to schools in private school choice programs and the independent charter school program.

Under current law, a K4 pupil is counted as 0.5 member if the pupil attends for at least 437 hours, unless the program provides at least 87.5 additional hours of outreach activities, in which case the pupil is counted as 0.6 member. Under the bill, a K4 pupil enrolled in a program requiring less than full-day attendance by the pupil for five days a week would be counted as 0.5 or 0.6

member, depending on whether the additional outreach is provided.

Joint Finance: Delete provision.

16. LIMIT ON NUMBER OF SCHOOL DISTRICT REFERENDA

Governor: Delete the current law provision under which a school board may proceed under the statutes governing referenda for debt issuance and to exceed revenue limits no more than two times in any calendar year.

The restriction on the number of times school boards may proceed to referenda was passed in the 2017-19 budget act. The restriction in that act requiring school district referenda to be held on regularly-scheduled election days, with an exception for a district that has experienced a natural disaster, would not be affected by the bill.

Joint Finance: Delete provision.

Categorical Aids

1. SPECIAL EDUCATION AID [LFB Paper 570]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$606,121,800	- $509,251,500	$96,870,300

Governor: Provide $75,060,900 in 2019-20 and $531,060,900 in 2020-21 for special education categorical aid. Base level funding is $368,939,100, which DPI estimates will reimburse 25.3% of eligible costs in 2018-19. It is estimated that the additional aid would allow for reimbursement of 30% of special education costs in 2019-20 and 60% of costs in 2020-21.

Joint Finance: Decrease funding by $59,527,700 in 2019-20 and $449,723,800 in 2020-21 relative to the bill. This change results in an increase in special education funding relative to the base of $15,533,200 in 2019-20 and $81,337,100 in 2020-21. It is estimated that the additional aid would reimburse 26% of eligible costs in 2019-20 and 30% of eligible costs in 2020-21.

2. SPECIAL EDUCATION TRANSITION READINESS GRANTS [LFB Paper 570]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,000,000	- $7,000,000	$0

Governor: Provide $3,500,000 annually above base level funding of $1,500,000 for competitive grants for special education workforce transition support services.

Under current law, school districts and independent charter schools are eligible for grants of $25,000 to $100,000 for special education workforce transition support services, including pupil transportation, professional development for school personnel, and employing adequate school personnel. DPI indicates that more than 130 applications were received in the first year of the program requesting approximately $9 million in grant funding, and awards were given to 37 districts.

Joint Finance: Delete provision.

3. SUPPLEMENTAL SPECIAL EDUCATION AID [LFB Paper 570]

GPR	- $1,750,000

Governor/Joint Finance: Delete $1,750,000 in 2020-21 and the appropriation and program statutes for supplemental special education aid effective July 1, 2020.

Under the program, districts are eligible for aid if they meet three criteria: (a) revenue limit authority per pupil below the state average; (b) special education costs equal more than 16% of total costs; and (c) membership of less than 2,000 pupils. Aid is distributed to districts proportionately based on special education costs, up to a maximum payment of $150,000. Districts cannot receive both supplemental special education aid and high cost special education aid in a given year.

4. HIGH COST SPECIAL EDUCATION AID [LFB Paper 570]

Governor: Modify the appropriation for the high cost special education aid program to be sum sufficient. Additionally, modify the program to allow for reimbursement of 100% of eligible prior year costs above the $30,000 per pupil threshold. Specify that these changes would first apply to aid paid in the 2019-20 school year.

Based on 2017-18 eligible costs, it is estimated that these changes could increase expenditures under the program by approximately $4 million GPR annually. No reestimate is made under the bill.

Under current law, applicants are eligible for high cost aid for 90% of non-administrative costs above $30,000 for an individual pupil in the previous school year, if the costs were not reimbursed by state special education categorical aid, federal Individual with Disabilities Education Act (IDEA), or the federal Medicaid program. If funding is insufficient, payments are prorated.

Joint Finance: Delete provision.

5. SPECIAL EDUCATION TRANSITION INCENTIVES GRANTS

Governor: Modify the grant program to specify that, beginning in the 2019-20 school year, the per pupil grant amount would be equal to the lesser of the following: (a) the amount determined by dividing the total appropriation by the number of individuals statewide meeting the criteria for the grant; or (b) $1,500.

Under current law, school districts or independent charter schools are eligible for up to $1,000 for each pupil who meets the following criteria: (a) completed school in the district or charter school; (b) had an individualized education program (IEP) in place; and (c) has been enrolled in a higher education program, another postsecondary education or training program, or competitively employed for at least 90 days. DPI estimates that approximately 89% of the appropriation will be expended in 2018-19. Annual base funding is $3.6 million.

Joint Finance: Delete provision.

6. ROBOTS 4 AUTISM

GPR	$50,000

Joint Finance: Provide $25,000 annually for grants for robot-assisted educational programs for pupils with autism.

Specify that a cooperative educational service agency (CESA) could apply to DPI for a grant for the purpose of implementing a program that uses all of the following to teach social and behavioral skills to pupils with autism: (a) interactive, facially expressive, humanoid robots; (b) a curriculum with embedded evidence-based practices; (c) visual supports; (d) video modeling; (e) an automated data collection system; (f) a comprehensive curriculum facilitator; and (g) a pupil activity manual with extension activities. Require a CESA to include with its application a proposal outlining the intended use of grant moneys and an estimate of the number of pupils who would be served under the program. Require DPI to award grants to CESAs in an amount determined by the department.

Require a CESA that receives a grant under the program to use the funds to develop, implement, and provide the program and to purchase robotic devices and curriculum with proven effectiveness for aiding in the academic, social, and emotional learning of pupils with autism spectrum disorder. Require the CESA to ensure that a licensed special education teacher is present at the location where the program is provided.

7. AID FOR SCHOOL MENTAL HEALTH SERVICES [LFB Paper 571]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$44,000,000	- $38,000,000	$6,000,000

Governor: Provide $22,000,000 annually above annual base level funding of $3,000,000 for aid for school mental health programs.

Additionally, modify current law to include expenditures for any pupil services professional, rather than only social workers as under current law. Define pupil services professional as a school counselor, school social worker, school psychologist, or school nurse. Additionally, specify that if there are moneys remaining in the appropriation after paying aid equal to 50% of the increase in eligible expenditures, then any district or choice or charter school may receive aid under the program based on its total expenditures on pupil services professionals, rather than only districts or choice or charter schools that increase their expenditures on pupil services professionals from one year to the next.

Under current law, the program reimburses eligible districts and schools for expenditures on social worker services as follows: (a) 50% reimbursement of the increase in expenditures for school social worker services from one year to the next; and (b) a proportion of unreimbursed expenditures for social workers, based on the amount remaining in the appropriation after payments are made under (a). Eligible districts and schools are defined as school districts, independent charter schools, and private schools participating in a choice program that increased their expenditures on social workers from one year to the next.

Joint Finance: Delete $19,000,000 annually. Delete provisions modifying current law to expand program eligibility. Under Joint Finance, funding would increase by $3,000,000 annually above the base level of $3,000,000.

8. SCHOOL-BASED MENTAL HEALTH SERVICES COLLABORATION GRANT

[LFB Paper 571]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$14,000,000	- $7,500,000	$6,500,000

Governor: Provide $7,000,000 annually above base level funding of $3,250,000 for grants to school districts and independent charter schools for collaboration with community health agencies to provide mental health services to pupils.

DPI indicates that in 2018-19 (the first year of the grant program), 141 grant applications were received, representing 182 school districts and charter schools and requesting a total of approximately $8 million in grants. Of the applicants, 52 received funding under the program, representing a total of 64 school districts.

Joint Finance: Delete $3,750,000 annually. Under Joint Finance, funding would increase by $3,250,000 annually above the base level of $3,250,000.

9. BILINGUAL-BICULTURAL EDUCATION [LFB Paper 572]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$35,320,400	- $35,320,400	$0

Governor: Provide $8,510,200 in 2019-20 and $26,810,200 in 2020-21 above base funding of $8,589,800 for bilingual-bicultural categorical aids. It is estimated that this funding level would provide a reimbursement rate of approximately 15% of prior year costs in 2019-20 and 30% in 2020-21 for school districts statutorily required to offer bilingual programs.

Under current law, school districts are required to establish a bilingual program if, within a language group at a given school, there are 10 or more limited-English proficient pupils in kindergarten to grade three, or 20 or more in grades four to eight or grades nine to 12. In 2017-18, the reimbursement rate was equal to approximately 8.1%.

Joint Finance: Delete provision.

10. BILINGUAL-BICULTURAL TARGETED AID [LFB Paper 572]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,400,000	- $3,400,000	$0

Governor: Provide $3,400,000 beginning in 2020-21 for bilingual-bicultural targeted aid. Require DPI to establish, by rule, six classifications of English language proficiency, of which the first classification is the least proficient and the sixth classification is fully proficient. Specify that for the targeted aid program, limited-English proficient pupils would be eligible for targeted aid if they are in one of the first three classifications. Require DPI to pay each school district an amount equal to $100 multiplied by the number of eligible limited-English proficient pupils instructed in the school district in the previous school year. Specify that if funding in any year is insufficient to pay the full amount, DPI would prorate the payments to school districts. Require school boards to include the number of eligible pupils instructed in the previous school year in the annual report on bilingual-bicultural education required under current law.

Joint Finance: Delete provision.

11. BILINGUAL-BICULTURAL EDUCATION GRANTS [LFB Paper 572]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,500,000	- $2,500,000	$0

Governor: Provide $2,500,000 beginning in 2020-21 for bilingual-bicultural grants. Specify that a school board or the operator of an independent charter school could apply to DPI for a grant to support bilingual-bicultural education programs or other educational programming for limited-English proficient pupils enrolled in the school district or charter school. Authorize DPI to award grants in amounts determined by the Department. Require school districts and charter schools to use the grant moneys to develop, implement, and provide bilingual-bicultural educational programming to meet the specific needs of limited-English proficient pupils enrolled in the school district or charter school. Provide that DPI may promulgate rules to implement and administer these grants.

Joint Finance: Delete provision.

12. SUPPLEMENTAL BILINGUAL-BICULTURAL AID [LFB Paper 572]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,400,000	- $2,400,000	$0

Governor: Provide $2,400,000 beginning in 2020-21 for bilingual-bicultural supplemental aid. Require DPI to pay each school district an amount equal to $100 multiplied by the number of limited-English proficient pupils enrolled in the school district in the previous school year for whom the school board was not required to provide a bilingual-bicultural program. If funding in any year is insufficient to pay the full amount, require DPI to prorate the payments to school districts.

Under current law, a school district is required to provide a bilingual-bicultural program in any school that enrolls ten or more limited-English proficient pupils in the same language group in grades K-3, or 20 or more pupils in the same language group in grades 4-8 or 9-12. Districts only qualify for current-law bilingual-bicultural education aid for these pupils.

Joint Finance: Delete provision.

13. AFTER-SCHOOL AND OUT-OF-SCHOOL-TIME PROGRAM GRANT [LFB Paper 573]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$20,000,000	- $20,000,000	$0

Governor: Provide $10,000,000 annually in a biennial appropriation for a new grant program to support high-quality after-school programs and out-of-school-time programs to organizations that provide services to school-age children. Provide that DPI could promulgate rules to implement and administer the program. Additionally, allow DPI to promulgate emergency rules

to implement and administer the program that would remain in effect until July 1, 2020, or the date on which permanent rules take effect, whichever is sooner. Specify that DPI would not be required to provide evidence in support of promulgating the rule as an emergency rule.

Joint Finance: Delete provision.

14. MILWAUKEE MATHEMATICS PARTNERSHIP [LFB Paper 574]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,000,000	- $10,000,000	$0

Governor: Provide $10,000,000 beginning in 2020-21 for a mathematics partnership between Milwaukee Public Schools (MPS) and UW-Milwaukee. Require the Board of Directors of MPS, in consultation with UW-Milwaukee, to develop and implement a plan to improve mathematics instruction in MPS schools. Require DPI to award a grant to the Board to develop and implement the plan. Specify that the Board could use grant proceeds for personnel costs associated with developing and implementing the plan. Provide that DPI may promulgate rules to implement and administer this grant.

Joint Finance: Delete provision.

15. SPARSITY AID [LFB Paper 575]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$9,786,100	- $10,686,100	- $900,000

Governor: Provide $9,786,100 in 2020-21 above base level funding of $25,213,900 for sparsity aid. Modify the program in 2020-21 by creating an additional tier of aid eligibility that would provide $100 per pupil to any district with an enrollment of more than 745 pupils and a population density of fewer than 10 pupils per square mile.

Under current law, districts qualify for $400 per pupil if, in the prior school year, they had an enrollment of less than 745 pupils and had a population density of fewer than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. In 2018-19, 145 school districts qualified for aid, and aid payments were not prorated. It is estimated than an additional 85 districts could qualify for aid in 2020-21 under the proposal.

Additionally, modify the provision that exists under current law to allow a district that loses its eligibility as a result of an increase in its pupil population density to receive up to 50% of its prior year award, beginning in 2020-21. Currently, any district that qualified for sparsity aid in one year but did not qualify the following year due to an increase in its enrollment is eligible to receive 50% of its prior year award.

Joint Finance: Delete provision and reduce funding by $500,000 in 2019-20 and $400,000 in 2020-21 as a reestimate of payments under the program. It is estimated that this funding level would fully fund payments under current law.

16. DELETE PERSONAL ELECTRONIC COMPUTING DEVICE GRANTS [LFB Paper 576]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $9,187,500	$9,187,500	$0

Governor: Delete $9,187,500 in 2020-21 and repeal the personal electronic computing device grant program that was created in 2017 Act 59, effective July 1, 2020. In addition, for grants distributed in 2019-20, modify the pupil count that would be used in calculating the grant for each school district from the number of ninth grade pupils included in membership to, instead, be the number of ninth grade pupils enrolled in the current school year.

Under this current program, school districts, independent charter schools, private schools, and tribal schools receive grants equal to $125 per ninth grade pupil, if they provide equal matching funds. Grants can only be used for the following purposes: (a) to purchase personal electronic computing devices; (b) to purchase software for personal electronic devices; (c) to purchase curriculum which includes content that may be accessed on a personal electronic computing device; or (d) to train staff on how to effectively incorporate personal electronic computing devices into a classroom and into a high school curriculum. Grants under the program were awarded beginning in the 2018-19 school year and under Act 59 would have ended in the 2022-23 school year.

Joint Finance: Delete provision. As a result, the program will continue into 2020-21 as under current law, and prior year membership will continue to be used to determine aid eligibility for public school districts.

17. PER PUPIL AID [LFB Paper 550]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $8,696,800	$62,433,600	$53,736,800

Governor: Maintain the per pupil aid payment at $654 per pupil in 2019-20 and 2020-21 and in each year thereafter, and delete $3,398,400 in 2019-20 and $5,298,400 in 2020-21 as a reestimate of total per pupil aid funding. Base level funding is $549,098,400.

A sum sufficient per pupil aid appropriation was established in 2013 Act 20. Each school district receives a statutorily-specified, flat per pupil aid payment, outside of revenue limits, from

this appropriation. Under 2017 Act 59, each district will receive a $654 per pupil payment in 2018-19 and a $630 per pupil payment in 2019-20 and each year thereafter. A district's current three-year rolling average pupil count under revenue limits is used to calculate the aid payment. The administration estimates that revenue limit enrollment will be 834,400 in 2019-20 and 831,500 in 2020-21.

Joint Finance: Provide $20,857,600 in 2019-20 and $41,576,000 in 2020-21 and set the per pupil aid payment at $679 per pupil in 2019-20 and $704 per pupil in 2020-21 and in each year thereafter. This would be an annual increase of $25 per pupil in each year of the biennium. Compared to the base, per pupil aid funding would increase by $17,459,200 in 2019-20 and $36,277,600 in 2020-21 under Joint Finance.

18. SUPPLEMENTAL PER PUPIL AID

GPR	$5,300,000

Joint Finance: Provide $2,800,000 in 2019-20 and $2,500,000 in 2020-21 in a newly-created annual sum certain appropriation for supplemental per pupil aid. Specify that a district would be eligible for this aid if the district's net per pupil payment from the general school aids appropriation is less than the difference between $1,000 and the per pupil categorical aid payment amount for that year ($679 per pupil in 2019-20 and $704 per pupil in 2020-21 under Joint Finance). Specify that the payment for an eligible district would be equal to $1,000 less the per pupil categorical aid payment amount for that year less the district's net per pupil payment from the general school aids appropriation, multiplied by the enrollment used to calculate the district's per pupil aid in that year. Specify that if aid entitlements exceed the amount appropriated, DPI would prorate the payments.

19. URBAN SCHOOL DISTRICT SUMMER SCHOOL [LFB Paper 577]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,200,000	- $7,200,000	$0

Governor: Provide $3,600,000 annually beginning in 2019-20 above base level funding of $1,400,000 for grants to develop, redesign, or implement a summer school program. Expand grant eligibility from Milwaukee Public Schools (MPS) under current law to all urban school districts. Define an urban school district as a district that either had an enrollment of at least 18,000 pupils in 2018-19 or an enrollment of at least 18,000 pupils in the previous school year (in 2018-19, Green Bay, Kenosha, Madison, Milwaukee, and Racine would qualify as urban school districts). Beginning in 2019-20, require DPI to annually award $2,000,000 to MPS and allocate the remaining amount of funding equally among the other urban school districts. Specify that the expansion from MPS to urban school districts would first apply in 2019-20.

Joint Finance: Delete provision.

20. URBAN SCHOOL DISTRICT EARLY CHILDHOOD

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,000,000	- $5,000,000	$0

Governor: Provide $5,000,000 beginning in 2020-21 for early childhood education grants to urban school districts. Define an urban school district as a district that either had an enrollment of at least 18,000 pupils in 2018-19 or an enrollment of at least 18,000 pupils in the previous school year (in 2018-19, Green Bay, Kenosha, Madison, Milwaukee, and Racine would qualify as urban school districts). Specify that an early childhood education program would mean a program provided by an urban school district to enhance learning opportunities for young children residing in the district and to prepare those children for entry into the elementary school grades. Define an eligible child as a child residing in the district who meets either of the following criteria: (a) the child is three years old on or before September 1 of that year; or (b) the child is less than three years old on or before September 1 of that year and the child is eligible to attend the program under procedures, conditions, and standards the school board prescribes for early admission to the program.

Require DPI to annually award a grant to eligible districts that provide, or that will use the grant to implement, an early childhood education program. Specify that an urban school district may annually submit to DPI a statement that the district is interested in receiving a grant award. Provide that a district that receives a grant would have to use the moneys to develop, implement, and administer a new or expanded program, and the district would be required to ensure that its program meets the licensing requirements for child care centers established by the Department of Children and Families (DCF), including staff to child ratios, required for participation in the DCF quality rating system.

Provide that DPI would award a grant in the amount of $1,000 per eligible child who, in the current school year, attends the district's program. Require the district to report the number of eligible children attending its program on the third Friday of September in the current year, which is the attendance number DPI would use to calculate the grant. Specify that DPI would prorate payments if the appropriation amount is insufficient to fully fund grants. Provide that if moneys remain in the appropriation after DPI fully funds eligible grants, DPI could distribute the balance of the funds remaining in the appropriation to any of the participating school districts in amounts determined by DPI.

Joint Finance: Delete provision.

21. URBAN SCHOOL DISTRICT COMMUNITY ENGAGEMENT [LFB Paper 577]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000,000	- $2,000,000	$0

Governor: Provide $1,000,000 annually beginning in 2019-20 for community engagement grants to urban school districts. Define an urban school district as a district that either had an enrollment of at least 18,000 pupils in 2018-19 or an enrollment of at least 18,000 pupils in the previous school year (in 2018-19, Green Bay, Kenosha, Madison, Milwaukee, and Racine would qualify as urban school districts). Require DPI to annually award a grant to each urban school district to support projects that satisfy the following criteria: (a) the project makes additional resources or service available to pupils and their families; (b) the goal of the project is to improve the academic achievement of pupils, the well-being of pupils and their families, or relationships between pupils, school staff, and the community; and (c) the project includes collaboration with at least one of the following: (1) a nonstock, nonprofit corporation organized under Chapter 181 of the statutes; (2) a cooperative educational service agency; (3) a UW System institution; (4) a technical college district board; or (5) any local unit of government.

Specify that the amount of the annual grant is the amount appropriated divided by the total number of urban school districts in the school year. Provide that DPI could promulgate rules to implement and administer these grants.

Joint Finance: Delete provision.

22. URBAN SCHOOL DISTRICT PRINCIPAL TRAINING [LFB Paper 577]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Provide $250,000 beginning in 2019-20 for principal training and support to principals employed by urban school districts. Define an urban school district as a district that either had an enrollment of at least 18,000 pupils in 2018-19 or an enrollment of at least 18,000 pupils in the previous school year (in 2018-19, Green Bay, Kenosha, Madison, Milwaukee, and Racine would qualify as urban school districts).

Require DPI to annually award a grant to a nonprofit organization or an urban school district for the purpose of providing training, coaching, and professional support to principals employed by urban school districts.

Joint Finance: Delete provision.

23. CAREER AND TECHNICAL EDUCATION GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,000,000	- $7,000,000	$0

Governor: Transfer administration of the career and technical education incentive grants and the career and technical education completion awards from the Department of Workforce Development (DWD) to DPI. Provide $3,500,000 annually for the incentive grants, and transfer the sum sufficient appropriation for the completion awards to DPI.

Under the career and technical education incentive grants, payments are awarded to school districts that have an approved industry-recognized certification program equal to $1,000 for each pupil completing the program. Under the technical education completion award program, an award of up to $500 is awarded to pupils for the completion of each approved industry-recognized certification program. Transfer authority to approve programs eligible for grant funding to the State Superintendent, and allow the State Superintendent to prorate payments if funding in the appropriation is insufficient to fully fund payments in any year. Additionally, require the State Superintendent to annually confer with DWD and the Wisconsin Technical College System to identify industries and occupations facing workforce shortages or shortages or adequately trained, entry-level workers, and annually notify school districts of the identified industries and occupations.

Delete current law requiring DWD and DPI to enter into a memorandum of understanding setting forth their respective responsibilities in administering the program, and requiring DWD to annually provide funds to DPI to make payments to school districts.

Joint Finance: Delete provision.

24. TECHNICAL EDUCATION EQUIPMENT GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Transfer the technical education equipment grant program, and the associated $500,000 annually, from the Department of Workforce Development to DPI. Allow DPI to award grants of up to $50,000 to school districts under the program.

As under current law, a school district may use grant funding to acquire advanced manufacturing equipment, software for operating manufacturing equipment, or pupil instructional material in the use of manufacturing equipment.

Joint Finance: Delete provision.

25. SCHOOL BREAKFAST PROGRAM [LFB Paper 578]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,679,000	- $5,679,000	$0

Governor: Provide $2,789,500 in 2019-20 and $2,889,500 in 2020-21 over annual base funding of $2,510,500 for the school breakfast program to increase the state reimbursement rate to 15.0 cents per meal served. Allow independent charter schools, the State's Educational Services Program for the Deaf and Hard of Hearing and Center for the Blind and Visually Impaired, and residential care centers to be eligible for reimbursement. Specify that schools that ceased operations during the prior school year are not eligible for reimbursement for any breakfasts served during that year.

Under the program, participating agencies are eligible for reimbursements of 15.0 cents per meal served if funding is available. DPI estimates that payments will be prorated at approximately 7.5 cents per meal served in 2018-19.

Joint Finance: Delete provision.

26. SCHOOL DAY MILK PROGRAM

GPR	$765,800

Governor: Provide $382,900 annually above base level funding of $617,100 for reimbursements of a portion of the cost of serving milk to low-income pupils in grades prekindergarten through five. DPI estimates that the additional funding would increase the reimbursement rate from 58% in 2016-17 to 100% of eligible expenditures.

Joint Finance: Modify the program to allow independent charter schools, the State's Educational Services Program for the Deaf and Hard of Hearing and Center for the Blind and Visually Impaired, and residential care centers to be eligible for reimbursement.

27. DELETE SCHOOL PERFORMANCE IMPROVEMENT GRANTS [LFB Paper 579]

GPR	- $3,690,600

Governor/Joint Finance: Delete $3,690,600 in 2020-21 and repeal the school performance improvement grants program that was created in 2017 Act 59, effective July 1, 2020. In addition, for grants distributed in 2019-20, modify the pupil count that would be used in calculating the grant for each school district from the pupil count used in calculating per pupil aid to instead be the number of pupils enrolled in the district.

Under the school performance improvement grants program, grants are awarded to any school, including a public school, independent charter school, or private choice school, located in a school district that received and overall rating of "fails to meet expectations," in addition to schools located in the boundaries of Milwaukee Public Schools. In order to qualify for a grant, a school must meet the following criteria: (a) develops a written school improvement plan to improve pupil performance in math and reading; and (b) if the school received funds under this program in the previous year, the school's overall accountability score improved from its score two years prior to the previous year. Grant amounts are determined by dividing the total amount of available funding by the number of pupils enrolled in schools eligible for a grant in each year.

28. HIGH COST TRANSPORTATION AID [LFB Paper 580]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,300,000	- $700,000	$1,600,000

Governor: Provide $2,300,000 above base level funding of $12,700,000 for high cost transportation aid beginning in 2020-21. Additionally, eliminate the $200,000 cap for payments for school districts that qualified for aid in the previous year, but did not qualify in the current year, beginning with aid paid in 2019-20. Also, clarify that DPI can prorate payments if funding is insufficient to fully fund eligible expenses.

Under current law, districts qualify for aid if they meet the following eligibility requirements: (a) a transportation cost per member greater than 145% of the state average in the prior year; and (b) a pupil population density of 50 pupils per square mile or less, calculated by dividing the school district's membership in the previous school year by the district's area in square miles. Any district that qualified for aid in the preceding school year but is ineligible for aid in the current school year is eligible to receive an amount equal to 50% of its prior year award, with the sum of all payments under this provision not to exceed $200,000 in any fiscal year. In 2017-18, 126 districts were eligible for aid under the program, and payments were prorated at 84.9%. Thirteen districts had been eligible in the previous year but did not meet the eligibility requirements in the current year, and received payments equal to 51.3% of the maximum amount for which they were eligible (50% of their prior year payment).

Joint Finance: Provide $800,000 in 2019-20 and delete $1,500,000 in 2020-21. Under Joint Finance, funding would increase by $800,000 annually over the base level of $12,700,000.

29. PUPIL TRANSPORTATION AID

Governor: Increase the reimbursement rate for pupils transported over 12 miles to and from school in the regular school year from $365 to $375 beginning in the 2019-20 school year. It is estimated that the current funding level would fully fund payments at the increased rate.

Additionally, delete a current law provision requiring DPI to prorate summer school transportation payments if a pupil attends 30 or fewer days during the summer session, beginning in the 2019-20 school year.

	Current Law		Bill	
Mileage	School Year	Summer School	School Year	Summer School
0-2 miles (hazardous area)	$15	--	$15	---
2-5 miles	35	$10	35	$10
5-8 miles	55	20	55	20
8-12 miles	110	20	110	20
Over 12 miles	365	20	375	20

Joint Finance: Delete provision.

30. TRANSPORTATION AID FOR THE EARLY COLLEGE CREDIT PROGRAM [LFB Paper 593]

Governor: Delete current law allowing DPI to use the appropriation for aid for open enrollment transportation to reimburse parents for the costs of transporting pupils attending a course at an institution of higher education under the early college credit program. (Under the bill, the early college credit program would be deleted and replaced with dual enrollment programs at UW and WTCS.)

Joint Finance: Delete provision.

31. DRIVER EDUCATION AID

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000,000	- $2,000,000	$0

Governor: Provide $2,000,000 beginning in 2020-21 for driver education aid. Define a driver education program as an instructional program in driver education approved by DPI and operated by a qualified driver education provider, which would include school boards, operators of an independent charter school, and cooperative educational service agencies. Specify that eligible pupils would be pupils who qualified for free or reduced-price lunch in the federal school lunch program in the previous school year. Provide that in order to receive grants, qualified driver education providers would have to: (a) demonstrate to DPI that the provider reduced the fees otherwise charged; and (b) by October 1, 2020, and annually thereafter, report the number of eligible pupils who enrolled in and successfully completed its driver education program in the previous school year.

Require DPI to calculate the amount paid to each qualified driver education provider by multiplying the number of eligible pupils reported as having successfully completed a program in the previous school year by the lesser of the following: (a) $200; or (b) the amount by which the provider reduced the fees otherwise charged. Specify that if funding in any year is insufficient to pay the full amount, DPI would prorate the payments. Provide that DPI could promulgate rules to implement and administer this program.

Joint Finance: Delete provision.

32. DRIVER EDUCATION PROGRAM FEES

Governor: Modify current law that authorizes school districts and technical college districts to charge reasonable fees for any driver education program or part of a program which is neither

required for graduation nor credited toward graduation to also authorize operators of independent charter schools and cooperative educational service agencies to charge such fees.

Joint Finance: Delete provision.

33. DELETE INFORMATION TECHNOLOGY EDUCATION GRANT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,750,000	$1,750,000	$0

Governor: Delete current law requiring DPI to award a grant to provide information technology education to public school pupils, technical college students, and public library patrons, and the associated $875,000 annually.

Current law requires that the grant be awarded through a competitive process, and that the recipient offer a program that includes a research-based curriculum teaching information technology skills and offering certifications of skills and competencies to participants.

Joint Finance: Restore program, with a modification to delete references to the 2017-18 and 2018-19 school years in current law.

34. GIFTED AND TALENTED GRANTS [LFB Paper 581]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,525,600	- $1,525,600	$0

Governor: Provide $762,800 annually above base level funding of $237,200 for grants to support gifted and talented education.

Additionally, modify the statutory language describing activities eligible for funding under the program to specify that DPI may award grants only for the following purposes: (a) providing to underrepresented gifted and talented pupils those services and activities not ordinarily provided in a regular school program that allow such pupils to fully develop their capabilities, including services and activities provided inside or outside of a pupil's regular classroom; and (b) providing teachers with professional development and training related to identifying and educating gifted and talented pupils. Define an underrepresented gifted and talented pupil as a gifted and talented pupil who is any of the following: (a) a minority group pupil; (b) an economically disadvantaged pupil (eligible for free or reduced-price lunch or other measures of poverty as determined by DPI); (c) a child with a disability; or (d) a limited-English proficiency pupil.

Under current law, grants may be awarded to provide gifted and talented pupils with any services and activities not ordinarily provided in a regular school program to allow such pupils to

fully develop their capabilities. Under the program, grants may be awarded to nonprofit organizations, cooperative educational service agencies, institutions within the UW System, and school districts.

Joint Finance: Delete provision.

35. GRANTS FOR TEACHER DEVELOPMENT, TRAINING, AND RECRUITMENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,500,000	- $1,500,000	$0

Governor: Transfer the teacher development grants program and the grants for teacher training and recruitment from the Department of Workforce Development (DWD) to DPI, and provide $750,000 annually. Under the program, as modified, a school board, governing body of a private school, or charter management organization could apply to DPI for a grant to design and implement a teacher development program, or a grant to operate a program to recruit and prepare individuals to teach in public or private schools located in low-income or urban Wisconsin school districts.

Require that a school board, governing body, or charter management organization receiving a grant for teacher development work with an eligible educator preparation program approved by DPI and headquartered in the state. Require that the program and the school board, governing body, or charter management organization design the program to prepare employees, including those who do not hold a bachelor's degree, who work closely with students to successfully complete the requirements for obtaining a teaching permit or initial teaching license, including any standardized examination prescribed by the State Superintendent as a condition for permitting or licensure. Require that participating employees be allowed to satisfy student teaching requirements in a school in the school district, the charter management organization, or the private school, and that the partnering program prepare and provide intensive coursework for participating employees. In awarding such a grant, require DPI to confirm that the teacher development program satisfies these requirements, consider the methods by which the program will be made affordable to participating employees, and consider whether the school board, governing body, or charter management organization has agreed to contribute matching funds towards the program.

Require that DPI award grants to school boards, governing bodies, or charter management organizations for teacher recruitment and preparation. Require that DPI establish a process for evaluating and assigning a score to each grant applicant, and that the Department give preference in evaluating grants to programs that do the following: (a) train future teachers who are enrolled in an accredited college or university in this state concurrent with the training; (b) focus on future teachers who plan to teach in public or private schools in this state as a profession; (c) provide continuing education and professional development; and (d) attempts to place a majority of its total participants in public or private schools located in low-income or urban school districts in this state.

Joint Finance: Delete provision.

36. MINORITY TEACHER GRANT PROGRAM [LFB Paper 582]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 annually to create a minority teacher grant program.

Require DPI to award grants on a competitive basis to school districts to recruit minorities to teach in the school district beginning in the 2019-20 school year. Define a minority as an individual who is any of the following: (a) Black American; (b) American Indian; (c) Hispanic; or (d) a person admitted to the United States after December 31, 1975, who is either a former citizen of Laos, Vietnam, or Cambodia or whose ancestor was or is a citizen of Laos, Vietnam, or Cambodia.

Require DPI to award 50% of the total appropriation to Milwaukee Public Schools, and the remaining 50% to other school districts in the state. Additionally, require DPI to give preference in awarding funding under the remaining 50% to school districts that have a high percentage of pupils who are minorities, as defined by DPI by rule. Authorize DPI to promulgate rules to implement and administer the program.

Joint Finance: Delete provision.

37. ROBOTICS LEAGUE PARTICIPATION GRANTS

GPR	$500,000

Governor/Joint Finance: Provide $250,000 annually above base level funding of $250,000 to fund grants for high school teams to participate in robotics competitions. Modify the current grant program to allow grant funds to be used for more than one robotics competition in the same year. Delete the word "pilot" from the title of the program. Specify that more than one grant could be awarded to the same team in one year, as long as the total grant funding received by any one team in a single year does not exceed $5,000.

38. WATER FILTRATION GRANTS [LFB Paper 583]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Provide $250,000 annually for water filtration grants. Require DPI to award grants beginning in 2019-20 to school districts to purchase water bottle filling equipment that includes a water filtration component. Require DPI to promulgate rules to implement and

administer this program.

Joint Finance: Delete provision.

39. GRANTS TO LAKELAND STAR SCHOOLS

GPR	$250,000

Joint Finance: Provide $250,000 in 2019-20 in a newly-created biennial appropriation for grants to the Lakeland STAR School and the Lakeland STAR Academy. Require DPI to provide a grant of $83,000 during the biennium to the Minocqua J1 School District for the Lakeland STAR School and a grant of $167,000 during the biennium to the Lakeland UHS School District for the Lakeland STAR Academy. Require Lakeland STAR School and the Lakeland STAR Academy to demonstrate matching funds from private donors prior to receiving the funds. Specify that no payments could be made from this appropriation after June 30, 2021. Require the school districts to provide a report to the Legislature and the State Superintendent.

40. RURAL SCHOOL TEACHER TALENT PILOT PROGRAM

GPR	$2,000,000

Joint Finance: Provide $1,000,000 annually for the rural school teacher talent pilot program above base level funding of $500,000. Under the program, grants are awarded to cooperative educational service agencies (CESAs) to coordinate with universities and colleges to provide practicums, student-teacher placement, and internships for undergraduate college students in rural school districts.

41. TRIBAL LANGUAGE REVITALIZATION GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$262,200	- $262,200	$0

Governor: Provide $262,200 in 2020-21 above base funding of $222,800 for grants to support tribal language programming in schools. Provide that in addition to the current law grants to support instruction in one or more American Indian languages, two-year grants could be awarded beginning in 2020-21 to develop, implement, and provide American Indian heritage, language, and cultural instruction programs for children participating in Head Start programs and for pupils in grades kindergarten through two. Authorize DPI to contract with the Great Lakes Inter-Tribal Council, Inc., to implement and administer the grant program. The program revenue is provided from tribal gaming revenue transferred from DOA.

Joint Finance: Delete provision.

42. SCHOOL LIBRARY AIDS REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$2,700,000	$3,000,000	$5,700,000

Governor: Reestimate school library aids by $900,000 in 2019-20 and $1,800,000 in 2020-21. Base level funding is $37,000,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

Joint Finance: Reestimate school library aids by an additional $1,500,000 annually as a result of converting the program revenue appropriation for Board of Commissioners of Public Lands (BCPL) to instead be funded through general purpose revenue, and repealing BCPL's ability to deduct operations expenses from the gross receipts of BCPL-managed trust funds.

Choice, Charter, and Open Enrollment

1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM FUNDING [LFB Paper 590]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$33,957,700	$3,697,900	$37,655,600
GPR Effect of Aid Reduction	16,479,100	- 472,700	16,006,400
Net GPR	$50,436,700	$3,225,200	$53,662,000

Governor: Provide $10,754,100 in 2019-20 and $23,203,600 in 2020-21 over the base year funding of $222,227,100 for the Milwaukee private school choice program to reflect changes in pupil participation and per pupil payments under the bill. This would reflect an increase in pupil participation from 28,100 pupils in 2018-19 to an estimated 28,500 pupils in 2019-20 and 29,400 pupils in 2020-21. Based on the increase in the per pupil adjustment under revenue limits provided in the bill, the per pupil payment under the program would increase from $7,754 in 2018-19 to $7,954 in 2019-20 and $8,158 in 2020-21 for pupils in grades K-8, and from $8,400 in 2018-19 to $8,600 in 2019-20 and $8,804 in 2020-21 for pupils in grades 9-12.

Under current law, the estimated cost to the state of the payments from the Milwaukee choice program appropriation is partially offset by a reduction (after consideration of aid paid to the City of Milwaukee to defray the choice levy, which would be eliminated under another provision of the bill) in the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 16.0% of the total cost of the program in 2019-20 and 12.8% of the

total cost of the program in 2020-21. The aid reduction will decrease by 3.2 percentage points each year until it is phased out in 2024-25. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction (less the amount of high poverty aid paid to MPS).

Under the bill, the aid reduction for MPS would decrease by $5,308,600 in 2019-20 and $11,170,500 in 2020-21 from the base choice reduction of $42,585,600. The net general fund fiscal effect for the Milwaukee program would be increased expenditures of $16,062,700 in 2019-20 and $34,374,000 in 2020-21.

The total change in funding provided for the Milwaukee choice program under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items. The table below shows the total cost of the Milwaukee program under current law, the fiscal effect of these changes, the total cost of the program under the bill, and the change to base level funding in each year.

Cost of the Milwaukee Private School Choice Program
Under the Bill, 2019-20 and 2020-21

	2019-20			2020-21		
	Total GPR	GPR Effect of Aid Reduction	Net GPR	Total GPR	GPR Effect of Aid Reduction	Net GPR
Base	$222,227,100	-$42,585,600	$179,641,500	$222,227,100	-$42,585,600	$179,641,500
Changes under the bill						
Current law reestimate*	$4,160,700	$6,363,500	$10,524,200	$25,848,900	$10,831,900	$36,680,800
Participation cap	0	0	0	-21,488,200	2,750,500	-18,737,700
Count 4K as 1.0 FTE	0	0	0	6,978,600	-893,300	6,085,300
Modification to payment amount	5,693,400	-910,900	4,782,500	11,864,300	-1,518,600	10,345,600
Other	900,000	-144,000	756,000	0	0	0
Subtotal	$10,754,100	$5,308,600	$16,062,700	$23,203,600	$11,170,500	$34,374,000
Total cost of the program as modified by the bill	$232,981,200	-$37,277,000	$195,704,200	$245,430,700	-$31,415,100	$214,015,500

*Assumes no increase to the 2018-19 per pupil payment amount; under current law, the per pupil payment will be adjusted in each year by any revenue limit per pupil adjustment provided to public school pupils, if positive, and any increase in the per pupil categorical aid funding. This indexing mechanism would be modified under another provision of the bill.

Joint Finance: Modify funding by -$17,500 in 2019-20 and $3,715,400 in 2020-21 to reflect the following modifications made by the Committee: (a) deleting the participation cap ($21,488,200 in 2020-21); (b) deleting the proposal to count 4K pupils as 1.0 FTE (-$6,978,600 in 2020-21); and (c) reestimating participation counts and payment amounts (-$17,500 in 2019-20 and -$10,794,200 in 2020-21). The aid reduction would change by $2,800 in 2019-20 and -$475,500 in 2020-21 relative to the bill. It is estimated that per pupil payments would increase by an estimated $231 in 2019-20 and a further $275 in 2020-21 under Joint Finance for payments of $7,985 in 2019-20 and $8,260 in 2020-21 for K-8 pupils and $8,631 in 2019-20 and $8,906 in 2020-21 for 9-12 pupils.

As a result of these changes, the total cost of the program would equal an estimated $232,963,700 in 2019-20 and $249,146,100 in 2020-21, and the aid reduction would total $37,274,200 in 2019-20 and $31,890,600 in 2020-21. The net cost of the program would be $195,689,500 in 2019-20 and $217,255,500 in 2020-21.

2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$52,987,200	$26,030,800	$79,018,000
GPR Effect of Aid Reduction	- 58,895,300	- 25,810,500	- 84,705,800
Net GPR	- $5,908,00	$220,300	- $5,687,800

Governor: Provide $24,176,200 in 2019-20 and $28,811,000 in 2020-21 over the base year funding of $82,428,100 for the Racine and statewide private school choice programs to reflect changes in the bill. Based on the increase in the per pupil adjustment under revenue limits provided in the bill, the per pupil payment under the program would increase from $7,754 in 2018-19 to $7,954 in 2019-20 and $8,158 in 2020-21 for pupils in grades K-8, and from $8,400 in 2018-19 to $8,600 in 2019-20 and $8,804 in 2020-21 for pupils in grades 9-12. These estimates reflect increases in pupil participation shown in the table below.

Estimated Racine and Statewide Private School Choice Program Participation

	2018-19	2019-20	2020-21
Racine	3,240	3,720	3,760
Statewide	6,880	9,400	9,580
Total	10,120	13,120	13,340

Under current law, the cost of payments for legacy pupils (pupils who first participated in the programs in the 2014-15 school year or earlier) is fully funded through GPR. Payments for all other pupils are fully funded through an aid reduction in the general school aids that would otherwise be paid to those pupils school districts of residence. School districts receive a revenue limit adjustment equal to the amount of the aid reduction in the current year.

Under the bill, the aid reduction for the programs would total $95,021,800 in 2019-20 and $100,409,900 in 2020-21 from the base choice aid reduction of $68,268,200. The net general fund fiscal effect for the Racine and statewide programs would be decreased expenditures of $2,577,400 in 2019-20 and $3,330,800 in 2020-21 compared to the base.

The total change in funding provided for the Racine and statewide choice programs under this item include the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items. The table below shows the total cost

of the Racine and statewide programs under current law, the fiscal effect of these changes, and the total cost of the program under the bill.

Cost of the Racine and Statewide Private School Choice Programs Under the Bill, 2019-20 and 2020-21

	2019-20			2020-21		
	Total GPR	GPR Effect of Aid Reduction	Net GPR	Total GPR	GPR Effect of Aid Reduction	Net GPR
Base	$82,428,100	-$68,268,200	$14,159,900	$82,428,100	-$68,268,200	$14,159,900
Changes under the bill						
Current law reestimate*	$21,552,200	-$24,411,600	-$2,859,400	$46,220,300	-$50,068,200	-$3,847,900
Participation cap	0	0	0	-24,463,800	24,463,800	0
Count 4K as 1.0 FTE	0	0	0	1,667,100	-1,667,100	0
Modification to payment amount	2,624,000	-2,342,000	282,000	5,387,400	-4,870,200	517,100
Subtotal	$24,176,200	-$26,753,600	-$2,577,400	$28,811,000	-$32,141,700	-$3,330,800
Total cost of the program as modified by the bill	$106,604,300	-$95,021,800	$11,582,500	$111,239,100	-$100,409,900	$10,829,100

*Assumes no increase to the 2018-19 per pupil payment amount; under current law, the per pupil payment will be adjusted in each year by any revenue limit per pupil adjustment provided to public school pupils, if positive, and any increase in the per pupil categorical aid funding. This indexing mechanism would be modified under another provision of the bill.

Joint Finance: Increase funding by an additional $406,700 in 2019-20 and $25,624,100 in 2020-21 to reflect the following modifications made by the Committee: (a) deleting the participation cap ($24,463,800 in 2020-21); (b) deleting the proposal to count 4K pupils as 1.0 FTE (-$1,667,100 in 2020-21); and (c) reestimating payment amounts ($406,700 in 2019-20 and $2,827,400 in 2020-21). The aid reduction would increase by $340,800 in 2019-20 and $25,469,700 in 2020-21 relative to the bill. It is estimated that per pupil payments would increase by an estimated $231 in 2019-20 and a further $275 in 2020-21 under Joint Finance for payments of $7,985 in 2019-20 and $8,260 in 2020-21 for K-8 pupils and $8,631 in 2019-20 and $8,906 in 2020-21 for 9-12 pupils.

As a result of these changes, the total cost of the programs would equal an estimated $107,011,000 in 2019-20 and $136,863,200 in 2020-21, and the aid reduction would total $95,362,600 in 2019-20 and $125,879,600 in 2020-21. The net cost of the program would be $11,648,400 in 2019-20 and $10,983,600 in 2020-21.

3. PRIVATE SCHOOL CHOICE PROGRAMS -- CAP PARTICIPATION AT 2020-21 LEVELS

Governor: Beginning in the 2020-21 school year, specify that the total number of pupils who can participate in each of the three choice programs could not exceed a program cap defined as the total number of pupils who attended a private school under that program in the 2019-20 school year.

Specify that a private school participating in the program could accept applications from eligible pupils during application periods determined by DPI. For the Racine and Milwaukee programs, require DPI to establish one or more application periods, the first of which may begin no earlier than February 1 of the previous school year and the last of which may end no later than September 14 of the applicable school year. For the statewide program, maintain the application period under current law (February 1 to April 20 of the previous school year).

Require each private school to report to DPI no later than 10 days after each application period the number of pupils who applied to attend the school under each program, and the names of those applicants who have siblings who also applied to attend the school under the program. At the end of each application period, require DPI to determine the sum of all applicants, counting a pupil who has applied to attend more than one private school under a choice program only once. If the sum exceeds the program cap (or, for the statewide program, the district participation limits under current law), require DPI to determine which applications to accept on a random basis, except for pupil preferences established under current law, and establish a waiting list for those pupils whose applications are not accepted in accordance with the current law preferences. Require a private school to notify DPI if an accepted pupil will not attend the school, and require DPI to fill any available slot with a pupil from the waiting list. Allow a pupil on the waiting list to be admitted for the following school year without submitting additional financial information, provided that the applicant continues to meet the residency requirements for the program for which the pupil is applying.

Specify that a pupil would not be counted for a school year in determining whether any choice program exceeds its program cap, or whether the pupil's school district of residence exceeds its pupil participation limit under the statewide program, if the following apply: (a) the pupil resides in one district at the time of their application to one of the choice programs, and accepts a space in a private school participating in that program; (b) the pupil resides in a different district on the third Friday of September; and (c) the private school the pupil is attending accepts applications from pupils residing in the school district the pupil resides in under (b). This provision would apply to the following: (a) a pupil who resides in the City of Milwaukee at the time of his or her application, but resides in Racine or another district on the 3rd Friday of September; (b) a pupil who resides in a district other than Racine or Milwaukee on at the time of his or her application, but resides in Racine or Milwaukee on the third Friday of September; or (c) a pupil who resides in Racine at the time of his or her application, but resides in a district other than Racine or Milwaukee on the third Friday of September.

Specify that these provisions would first apply to program caps and applications or transfer of applications for the 2020-21 school year.

Joint Finance: Delete provision.

4. PRIVATE SCHOOL CHOICE PROGRAMS -- TEACHER LICENSURE REQUIREMENT

Governor: Require that beginning on July 1, 2022, all of a participating private school's teachers have a teaching license or permit issued by DPI, except teachers who teach only rabbinical

studies. This requirement would apply to the Milwaukee, Racine, and statewide choice programs.

Specify that any teacher employed by the school on July 1, 2022, who has been teaching for at least the five consecutive years immediately preceding that date and who does not have a teaching license or permit issued by DPI could apply for a temporary, nonrenewable waiver on a form prepared by DPI. Require DPI to promulgate rules to implement this provision, including the form of the application and the process by which the waiver application would be reviewed. Require that the waiver application require the applicant to submit a plan for satisfying the licensure requirement. Specify that no waiver would be valid after July 1, 2027.

Modify current law teacher licensure requirements to include private schools, including the following: (a) specify that an individual located in another state may teach an online course without a Wisconsin license if he or she is properly licensed in the state from which the course is provided; (b) allow a faculty member of an institution of higher education to teach without a license or permit if the faculty member satisfies certain requirements; (c) specify that an individual certified to teach native American languages and culture cannot teach other courses; (d) allow a private school to employ an individual who teaches a technical or vocational education subject with an experience-based license if the school fulfills certain requirements; and (e) require that a private school employing a person who holds a professional teaching permit does not fill the position following the removal of a regularly licensed teacher. Specify that these provisions would first take effect on July 1, 2022.

Joint Finance: Delete provision.

5. PRIVATE SCHOOL CHOICE PROGRAMS -- ACCREDITATION OF PRIVATE SCHOOLS

Governor: Require that if a private school begins participation in a choice program in the 2021-22 school year or later, the school must be accredited by an accrediting entity by August 1 of the school's first year of participation in the program.

If a private school is accredited to offer instruction in any elementary grade but not any high school grade and seeks to offer instruction in high school grades, require the school to apply for accreditation by an accrediting entity by December 31 of the first school year in which the private school begins offering instruction in the additional grades. Require the school to obtain accreditation by December 31 of the third school year following the first year in which the school begins offering instruction in additional grades. If the school is accredited to offer instruction in any high school grade but not any elementary grade, and seeks to offer instruction in elementary grades, require the school to apply for accreditation by December 31 of the first year in which the school offers the additional grades and obtain accreditation by the third school year following the year in which the additional grades are first offered.

Specify that current law requiring a private school beginning participation in the programs to obtain preaccreditation by a preaccrediting entity by August 1 before the first school term in which the school participates in the program, or May 1 if the school first participates during a summer school session, does not apply beginning in the 2021-22 school year. Current law

requiring a new private school to obtain preaccreditation by December 15 of the school year preceding the school year in which the new private school intends to participate would also not apply beginning in the 2021-22 school year.

Joint Finance: Delete provision.

6. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM -- ELIMINATE CITY CHOICE LEVY AID

Governor: Eliminate the city choice levy aid paid to the City of Milwaukee to reduce the choice program levy used to fund a portion of the cost of the Milwaukee program. Instead, these moneys would be paid directly to Milwaukee Public Schools (MPS) and would have the same effect of reducing the MPS choice levy.

Under current law, the City of Milwaukee receives first-draw funding from the general equalization aids appropriation equal to 6.6% of the total cost of the Milwaukee choice program. The City is then required to use the amount to defray the choice program levy it raises on behalf of MPS.

Joint Finance: Delete provision.

7. PRIVATE SCHOOL CHOICE PROGRAMS -- DEFINITION OF POVERTY LEVEL

Governor: Modify the definition of poverty level for the purposes of determining eligibility and tuition payments so that it refers to the poverty line, as defined in 42 USC 9902 (2), rather than referring to the poverty level determined in accordance with criteria established by the director of the federal Office of Management and Budget, as under current law.

Under 42 USC 9902 (2), the "poverty line" is defined as the official poverty line defined by the Office of Management and Budget, based on the most recent data available from the Bureau of Census.

Joint Finance: Delete provision.

8. PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- INFORMATION REQUIRED ON PROPERTY TAX BILL

Governor: Require property tax bills to include information from the school district where the property is located regarding the amount of any gross reduction in state aid to the district under the program in the previous year and the current year and the percentage change between those years, if such a reduction occurs in that year.

Require the following insert to also be included in substantially similar form: "The gross reduction in state aid to your school district in the …. (current year) is $ … as a result of pupils enrolled in the … (statewide choice program) (Racine choice program) (Milwaukee choice

program) or as a result of payments to … (a private school) under the special needs scholarship program. Your school district had the option to increase property taxes to replace this aid reduction."

Joint Finance: Delete provision.

9. SPECIAL NEEDS SCHOLARSHIP PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$6,306,700	$4,810,200	$11,116,900
GPR Effect of Aid Reduction	- 6,306,700	- 4,810,200	- 11,116,900
Net GPR	$0	$0	$0

Governor: Provide $3,373,700 in 2019-20 and $2,933,000 in 2020-21 above base level funding of $9,320,300 for the special needs scholarship program to reflect changes in pupil participation and per pupil payments under the bill. This would reflect changes in pupil participation from 700 pupils in 2018-19 to 1,000 pupils in 2019-20 and 950 pupils in 2020-21. Based on the increase in the per pupil revenue limit adjustment provided in the bill, the per pupil payment under the program would increase from $12,431 in 2018-19 to $12,631 in 2019-20 and $12,835 in 2020-21.

Under current law, the cost of payments for pupils attending a private school under the special needs scholarship program are fully offset through an aid reduction in the general school aids that would otherwise be paid to those pupils' school districts of residence and a corresponding revenue limit increase.

The total change in funding provided for the program under this item include the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items. The table below shows the total cost of the program under current law, the fiscal effect of these changes, and the total cost of the program under the bill.

Cost of the Special Needs Scholarship Program
Under the Bill, 2019-20 and 2020-21

	2019-20			2020-21		
	Total GPR	GPR Effect of Aid Reduction	Net GPR	Total GPR	GPR Effect of Aid Reduction	Net GPR
Base	$9,320,300	-$9,320,300	$0	$9,320,300	-$9,320,300	$0
Changes under the bill						
Current law reestimate*	$3,173,700	-$3,173,700	$0	$7,024,400	-$7,024,400	$0
Sunset	0	0	0	-4,599,500	4,599,500	0
Count 4K as 1.0 FTE	0	0	0	124,300	-124,300	0
Modification to payment amount	200,000	-200,000	0	383,800	-383,800	0
Subtotal	$3,373,700	-$3,373,700	$0	$2,933,000	-$2,933,000	$0
Total cost of the program as modified by the bill	$12,694,000	-$12,694,000	$0	$12,253,300	-$12,253,300	$0

*Assumes no increase to the 2018-19 per pupil payment amount; under current law, the per pupil payment will be adjusted in each year by any revenue limit per pupil adjustment provided to public school pupils, if positive, and any increase in the per pupil categorical aid funding. This indexing mechanism would be modified under another provision of the bill.

Joint Finance: Modify funding by $31,000 in 2019-20 and $4,779,200 in 2020-21 relative to the bill to reflect the following modifications made by the Committee: (a) deleting the program sunset ($4,599,500 in 2020-21); (b) deleting the proposal to count 4K pupils as 1.0 FTE (-$124,300 in 2020-21); and (c) reestimating pupil participation and payment amounts ($31,000 in 2019-20 and $304,000 in 2020-21). Under the current law indexing mechanism, it is estimated that per pupil payments would increase by an estimated $231 in 2019-20 and a further $275 in 2020-21 under Joint Finance for payments of $12,662 in 2019-20 and $12,937 in 2020-21.

As a result of these changes, the total cost of the programs would equal an estimated $12,725,000 in 2019-20 and $17,032,500 in 2020-21, with the full cost of payments offset by aid reductions.

10. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- SUNSET

Governor: Specify that, beginning in the 2020-21 school year, DPI may not provide a scholarship under the program to a pupil with a disability unless the pupil attended a private school under the program in the 2019-20 school year. If the pupil does not participate in the program in any year after the 2019-20 school year, prohibit DPI from providing a scholarship to the pupil for any subsequent school year.

Joint Finance: Delete provision.

11. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- TEACHER LICENSURE REQUIREMENT

Governor: Require that beginning on July 1, 2022, all of a participating private school's teachers have a teaching license or permit issued by DPI, except teachers who teach only rabbinical studies.

Specify that any teacher employed by the school on July 1, 2022, who has been teaching for at least the five consecutive years immediately preceding that date and who does not have a teaching license or permit issued by DPI could apply for a temporary, nonrenewable waiver on a form prepared by DPI. Require DPI to promulgate rules to implement this provision, including the form of the application and the process by which the waiver application would be reviewed. Require that the waiver application require the applicant to submit a plan for satisfying the licensure requirement. Specify that no waiver would be valid after July 1, 2027.

Modify current law teacher licensure requirements to include private schools, including the following: (a) specify that an individual located in another state may teach an online course without a Wisconsin license if he or she is properly licensed in the state from which the course is provided; (b) allow a faculty member of an institution of higher education to teach without a license or permit if the faculty member satisfies certain requirements; (c) specify that an individual certified to teach native American languages and culture cannot teach other courses; (d) allow a private school to employ an individual who teaches a technical or vocational education subject with an experience-based license if the school fulfills certain requirements; and (e) require that a private school ensure that a person who holds a professional teaching permit does not fill the position following the removal of a regularly licensed teacher. Specify that these provisions would first take effect on July 1, 2022.

Joint Finance: Delete provision.

12. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- PRIVATE SCHOOL REQUIREMENTS

Governor: Require that a school participating in the special needs scholarship program in any year either: (a) also participate in the Milwaukee, Racine, or statewide private school choice program in the same year; or (b) for a school participating in the 2019-20 school year, the school either is approved as a private school by the State Superintendent or is accredited by an accrediting entity on August 1, 2019. Beginning in the 2020-21 school year and in each school year thereafter, if the school continuously participates in the program, require that the school continue to comply with the accreditation requirements. If the school does not participate in the program in any school year beginning in the 2020-21 school year or later, require that the eligible school also participate in the Milwaukee, Racine, or statewide private school choice program in the same year and in subsequent years.

Specify that all of the following apply for a private school that does not participate in the Milwaukee, Racine, or statewide choice programs:

a. If the school is not accredited by an accrediting entity on August 1, 2019, the school must do the following: (1) obtain preaccreditation by a preaccrediting entity by August 1, 2020; and (2) apply for accreditation by an accrediting entity by December 31, 2020, and obtain accreditation by December 31, 2023. Specify that a school may apply for and seek to obtain preaccreditation from only one preaccrediting entity.

b. If the private school is accredited by an accrediting entity to offer instruction in any elementary grade, but not any high school grade, and the school seeks to offer instruction in any high school grade, require the school to apply for accreditation by an accrediting entity by December 31 of the first school year in which the private school begins offering instruction in the additional grades, and obtain accreditation by December 31 of the third school year following the first year in which the school begins offering instruction in the additional grades.

c. If the private school is accredited by an accrediting entity to offer instruction in any high school grade, but not any elementary grade, and the school seeks to offer instruction in any elementary grade, require the school to apply for accreditation by an accrediting entity by December 31 of the first school year in which the private school begins offering instruction in the additional grades, and obtain accreditation by December 31 of the third school year following the first year in which the school begins offering instruction in the additional grades.

d. If the school is accredited, require that the governing body of the private school ensure that the school continuously maintains the accreditation from an accrediting entity as long as the school continues to participate in the program.

e. If the private school learns that an accrediting organization with which the private school is maintaining accreditation is a disqualified organization, require the school to immediately notify DPI in writing of this fact. Require the school to obtain accreditation from an accrediting entity no later than three years from the date on which the private school learns that the accrediting organization is a disqualified organization.

f. Require the governing body of the private school to annually, by August 1, provide DPI with evidence demonstrating that the school remains accredited for the current school year as required. Require the governing body to immediately notify DPI if the private school's accreditation status changes.

g. If a preaccrediting or accrediting entity determines during the preaccrediting or accrediting process that the private school does not meet all of the current law requirements for private schools, require the entity to report that failure to DPI.

h. Specify that the State Superintendent may issue an order barring a private school from participating in the program in the following school year if any of the following occurs: (1) the private school does not provide DPI with annual evidence of its accreditation; (2) an application by the private school for preaccreditation or accreditation is denied by the preaccrediting or accrediting entity; (3) the school does not obtain preaccreditation or accreditation under the periods defined in the bill. Require the State Superintendent to issue an order barring the school's participation in the program at the end of the current school year if the State Superintendent determines that the school has failed to continuously maintain accreditation, the school has

withdrawn from the accreditation process, or the school's accreditation has been revoked, denied, or terminated. Prohibit a private school whose participation in the program is barred from participating until the governing body of the private school demonstrates to the satisfaction of DPI that the private school has obtained accreditation from any of the following: (1) if the school failed to continuously maintain accreditation, an accrediting entity other than the one with which the school failed to continuously maintain accreditation; (2) if the school withdrew from the accrediting process, an accrediting entity other than the entity from whose process the private school withdrew; or (3) if the school's accreditation was revoked, denied, or terminate, an accrediting entity other than the entity that revoked, denied, or terminated the school's accreditation.

Specify that if a school fails to comply with these eligibility requirements, DPI may bar the school from participating in the program.

Specify that accrediting entity, preaccreditation, and preaccrediting entity would have the meaning given in the section of the statutes that governs the Racine and statewide private school choice program. Define disqualified organization as an accrediting organization that is not an accrediting entity or a member of or otherwise sanctioned by an accrediting entity.

Joint Finance: Delete provision.

13. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- DELETE ACTUAL COST REIMBURSEMENT PROVISION

Governor: Delete current law allowing a private school to submit a financial statement showing the actual costs that the private school incurred to implement a participating pupil's most recent individualized education program or services plan, as modified by an agreement between the private school and the pupil's parent, and specifying that the financial statement would be used to calculate the per pupil payment for that pupil in the following school year.

Require that if DPI makes a payment to a private school based on a submitted financial statement prior to the effective date of the bill, the amount paid to the school is considered an installment payment of the per pupil payment for the 2019-20 school year. Require DPI to adjust the remaining installment payments to ensure that the school receives the total scholarship amount for the 2019-20 school year for that pupil.

Under current law, if a private school chooses to submit a financial statement, payments of up to 150% of the per pupil payment amount for that year are fully funded through a reduction in the general aid that is otherwise paid to each pupil's school district of residence, offset with an equal revenue limit adjustment for the district. If the costs incurred by the school in the previous school year exceed 150% of the per pupil payment, the school is reimbursed for 90% of the remaining costs, but no corresponding aid reduction would occur. (As a result, payments made for costs incurred above 150% of the per pupil payment are funded with state GPR.) Schools may submit a financial statement beginning in the 2018-19 school year, so the first payments under the actual cost reimbursement provision would be made in the 2019-20 school year.

As a result of deleting this provision, payments for all pupils would be equal to the amount specified in current law, with adjustments for increases in revenue limit per pupil amounts to public school districts. (In 2018-19, the payments are equal to $12,431 per pupil; it is estimated that under the bill, the payment amount would increase to $12,631 in 2019-20 and $12,835 in 2020-21.)

Joint Finance: Delete provision.

14. SPECIAL EDUCATION SCHOLARSHIP PROGRAM -- ADDITIONAL TUITION CHARGES

Governor: Prohibit a school participating in the program from charging or receiving any additional tuition payment for a pupil participating in the program, beginning in the 2020-21 school year, if any of the following applies: (a) the pupil is enrolled in grades K-8; (b) the pupil is enrolled in grades 9-12, and is a member of a family whose total family income does not exceed 220% of the federal poverty line.

Specify that participating private schools must determine whether the school is prohibited from charging or receiving additional tuition. Require DPI to establish a process for a private school to use to determine whether the school is prohibited from charging or receiving additional tuition. Require the school to obtain the following information: (a) the names of the pupil's parents that reside in the same household as the pupil; (b) whether and to whom the parents are married; (c) the names of all of the other members of the pupil's family residing in the same household as the pupil; and (d) the school year for which family income is being determined. Require the private school to establish a process for accepting an appeal to the governing body of the school.

Define family income as the federal adjusted gross income of the parents residing in the same household as the pupil for the tax year preceding the school year for which family income is being determined. Specify that family income includes income of the pupil's parents, and that family income for a family in which the pupil's parents are married must be reduced by $7,000 before the income determination is made. Specify that a pupil placed with a kinship care relative, a long-term kinship care relative, a licensed foster home, or in a subsidized guardianship home is considered to have no family income.

Additionally, beginning in 2020-21, specify that a private school could recover the cost of providing any of the following items or services to a participating pupil through reasonable fees in an amount determined by the private school and charged to the pupil: (a) personal use items, such as uniforms, gym clothes, and towels; (b) social and extracurricular activities if not necessary to the private school's curriculum; (c) musical instruments; (d) meals consumed by children of the private school; (e) high school classes that are not required for graduation and for which no credits toward graduation are given; (f) transportation; (g) before-school and after-school child care; and (h) room and board. Specify that a private school could not prohibit an eligible pupil from attending the school, expel or otherwise discipline the pupil, or withhold or reduce the pupil's grades because the pupil or his or her parents have not paid such fees.

Joint Finance: Delete provision.

15. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- RELIGIOUS ACTIVITY OPT-OUT

Governor: Require a private school participating in the program allow a participating pupil to refrain from participating in any religious activity if the pupil's parent submits to the pupil's teacher or the private school's principal a written request that the pupil be exempt from such activities. Specify that DPI could bar a school from participating in the program if it fails to comply with this requirement.

Joint Finance: Delete provision.

16. INDEPENDENT CHARTER SCHOOL PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$28,637,200	- $564,600	$28,072,600
GPR Effect of Aid Reduction	- 28,637,200	564,600	- 28,072,600
Net GPR	$0	$0	$0

Governor: Provide $7,099,400 in 2019-20 and $13,910,500 in 2020-21 as a reestimate of sum sufficient funding in the main appropriation for the independent charter school program. Base level funding is $68,920,000. Based on the relevant provisions in the bill, the administration estimates that 8,600 pupils in 2019-20 and 9,150 pupils in 2020-21 will attend schools funded from this appropriation and that the per pupil payment under the program would increase from $8,619 in 2018-19 to $8,819 in 2019-20 and $9,023 in 2020-21.

The main appropriation for the program currently funds payments to charter schools that the City of Milwaukee, UW-Milwaukee, and UW-Parkside operate or contract to operate. DPI pays the operators of these charter schools a statutorily-determined per pupil amount each year. By law, DPI is required to proportionally reduce the general aid for which each school district is eligible by an amount totaling the estimated payments under the program. Under revenue limits, districts may levy property taxes to make up for the amount of revenue lost due to these aid reductions.

Provide $3,192,500 in 2019-20 and $4,434,800 in 2020-21 as a reestimate of sum sufficient funding in the appropriation for independent charter schools authorized by the Office of Educational Opportunity (OEO) in the UW System. The administration estimates that 357 pupils in 2019-20 and 484 pupils in 2020-21 will attend schools funded from this appropriation. While there is no base level funding in this appropriation, an estimated 250 pupils will attend these schools in 2018-19, with an estimated $2,154,800 in total payments to these schools.

DPI pays the operators of these charter schools the same per pupil payment as other independent charter schools. Pupils that attend these charter schools are counted by their district of residence for revenue limit and general aid purposes. DPI is required to reduce the district's general aid payment in an amount equal to the total of the per pupil payments made for pupils residing in the district. Districts are not allowed to levy to backfill, or replace, that aid reduction.

The total change in funding provided for the independent charter school program under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items. The table below shows the total cost of the program under current law, the fiscal effect of these changes, the total cost of the program under the bill, and the change to base level funding in each year.

Cost of the Independent Charter School Program
Under the Bill, 2019-20 and 2020-21

	2019-20			2020-21		
	Total GPR	GPR Effect of Aid Reduction	Net GPR	Total GPR	GPR Effect of Aid Reduction	Net GPR
Base	$68,920,000	-$68,920,000	$0	$68,920,000	-$68,920,000	$0
Changes under the bill						
Current law reestimate*	$8,500,500	-$8,500,500	$0	$12,729,300	-$12,729,300	$0
Prohibition on new schools	0	0	0	0	0	0
Count 4K as 1.0 FTE	0	0	0	1,723,900	-1,723,900	0
Modification to payment amount	1,791,400	-1,791,400	0	3,892,100	-3,892,100	0
Subtotal	$10,291,900	-$10,291,900	$0	$18,345,300	-$18,345,300	$0
Total cost of the program as modified by the bill	$79,211,900	-$79,211,900	$0	$87,265,300	-$87,265,300	$0

*Assumes no increase to the 2018-19 per pupil payment amount; under current law, the per pupil payment will be adjusted in each year by any revenue limit per pupil adjustment provided to public school pupils, if positive, and any increase in the per pupil categorical aid funding. This indexing mechanism would be modified under another provision of the bill.

Joint Finance: Provide $277,700 in 2019-20 and delete $842,300 in 2020-21 for the independent charter school program. Of those amounts, $266,600 in 2019-20 and -$435,500 in 2020-21 would be attributable to the main appropriation for the independent charter school program, and $11,100 in 2019-20 and -$406,800 in 2020-21 would be attributable to the appropriation for independent charter schools authorized by the OEO. The appropriation changes in each year would be offset by equal changes in the associated aid reductions under the program.

These reestimates would reflect the following modifications made by the Committee: (a) deleting the proposal to count 4K pupils as 1.0 FTE (-$1,723,900 in 2020-21); and (b) reestimating per pupil payment amounts ($277,700 in 2019-20 and $881,600 in 2020-21). As a result of these changes, the total cost of the program, and the associated aid reductions, would equal an estimated $79,489,600 in 2019-20 and $86,423,000 in 2020-21. Under the current law indexing mechanism, it is estimated that per pupil payments would increase by an estimated $231 in 2019-20 and a further $275 in 2020-21 under Joint Finance for payments of $8,850 in 2019-20 and $9,125 in 2020-21.

17. PROHIBITION ON NEW INDEPENDENT CHARTER SCHOOLS

Governor: Prohibit an independent charter school authorizer from entering into a contract

with a person to operate a charter school that was not operating on the effective date of the bill, during the period from the effective date of the bill until July 1, 2023. Specify that this prohibition would not apply if: (a) the authorizer is opening the charter school under a contract provision under current law allowing a governing board to open one or more additional charter schools if all of the charter schools operated by the governing board were assigned one of the top two performance categories in the most recent school accountability report published by DPI; or (b) the authorizer notified the State Superintendent by February 1, 2019, of the authorizer's intent to establish the charter school.

Joint Finance: Delete provision.

18. CHOICE, CHARTER, AND OPEN ENROLLMENT PAYMENT INDEXING MECHANISM [LFB Paper 591]

Governor: Modify the indexing mechanism for the payments for the private school choice programs, the special needs scholarship program, the independent charter school program, and the open enrollment program to specify that these payments would increase by an amount equal to the per pupil revenue limit adjustment for the current year, if positive, plus the change in the per pupil aid payment amount between the previous year and the current year, if positive.

Under current law, the various per pupil payment amounts under these programs are equal to the sum of the payment amount for the program in the previous year plus the per pupil revenue limit adjustment for the current year, if positive, plus the statewide change in funding per pupil for statutorily-specified categorical school aid appropriations, including per pupil aid, between the previous year and the current year, if positive.

If all of the increases to categorical aid appropriations and the per pupil revenue limit adjustment under the bill were included in the indexing calculation, it is estimated that the current law indexing provision would increase the various program payments by an estimated $358 per pupil in 2019-20 and a further $799 per pupil in 2020-21 as a change to the prior year. Under the bill, there is no increase in the per pupil aid payment amount, but the revenue limit per pupil adjustment would result in an increase of $200 per pupil in 2019-20 and a further $204 per pupil in 2020-21 as a change to the prior year in the various program payments.

Joint Finance: Delete provision. Under the current law indexing mechanism, the various per pupil payments would increase by an estimated $231 in 2019-20 and a further $275 in 2020-21 under Joint Finance.

19. OPEN ENROLLMENT AID TRANSFER AMOUNT -- SPECIAL EDUCATION [LFB Paper 592]

Governor: Delete the provisions of the 2017-19 budget act (2017 Act 59) modifying the aid transfer amount for special education students participating in the open enrollment program and restore prior law under which a single aid transfer amount applied to all of these students.

Under Act 59, a process was created under which the open enrollment aid transfer amount

for a special education pupil ($12,431 in 2018-19) could be adjusted. Beginning in the 2018-19 school year, at the end of a school year in which a special education pupil has participated in the program, a nonresident district may submit to DPI a financial statement that shows the actual costs the nonresident district incurred to provide a free appropriate public education to the pupil during that year. DPI is required to provide the resident district with a copy of any financial statement it receives. Beginning in the 2019-20 school year, the aid transfer amount for a pupil for whom the nonresident district does not submit a financial statement will equal the indexed amount described above. The aid transfer amount for a pupil for whom the nonresident district has submitted a financial statement will be the amount shown on the financial statement for that child for the previous school year, up to a maximum of $30,000.

Joint Finance: Delete provision.

20. OPPORTUNITY SCHOOLS AND PARTNERSHIP PROGRAM

Governor: Delete the statutory provisions adopted in the 2015-17 budget act and modified in the 2017-19 budget act related to the opportunity schools and partnership programs (OSPP).

In general, an OSPP is modeled as a "turnaround school district," with the potential to affect Milwaukee, Racine, and Madison. Currently, no districts or schools are participating in an OSPP.

More specifically, the 2015-17 budget act (2015 Act 55) created an OSPP within the Milwaukee Public Schools (MPS) under the management and control of a Commissioner appointed by the Milwaukee County Executive. Generally, the Commissioner could select MPS schools that either received the lowest rating on the most recent school accountability report or was identified as a vacant or underutilized building to be transferred to the OSPP. The Commissioner could transfer the operation and management of an OSPP school to either a nonprofit group operating a charter school, the governing body of a nonsectarian private school participating in a private school choice program, or an individual or group not currently operating a school, provided that the entity meets certain statutory criteria. The Commissioner could transfer a school out of their OSPP if the Commissioner determined that the school has been placed in a performance category of "meets expectations" or higher on the three preceding consecutive accountability reports published for the school. The Commissioner could return operation and management of the school to the MPS Board (provided MPS has not received a grade of "fails to meet expectations" on the school district accountability reports in the three most recent consecutive school years) or to an individual or group as a non-instrumentality charter, or to the governing body of a private school.

Act 55 also created an OSPP (modeled on the above provisions) within MPS under the management and control of the MPS Superintendent and allowed for the creation of an OSPP within other eligible school districts that: (a) were assigned to the lowest performance category on two school district accountability reports in the most recent consecutive years; (b) had a pupil membership of over 15,000; and (c) received intradistrict transfer aid in the two school years in which the district was assigned the lowest performance category on the school district accountability reports.

The 2017-19 budget act (2017 Act 59) created additional provisions under which an eligible unified school district could be identified, with additional criteria based on the number and size of municipalities within the district and the delegation of decision-making authority related to employee benefits. Act 59 also created a procedure under which the village boards of each village within an eligible unified school district could initiate the process for the creation of a new school district, subject to a binding referendum on the proposed creation by voters in the territory of the proposed school district.

Joint Finance: Delete provision.

21. REPLACE EARLY COLLEGE CREDIT PROGRAM WITH DUAL ENROLLMENT PROGRAMS [LFB Paper 593]

Governor: Delete the early college credit program, which allows high school pupils to enroll in an institution of higher education for the purpose of taking courses for high school credit, college credit, or both.

Instead, the bill would create new dual enrollment programs under the UW System and WTCS. [See "Dual Enrollment" under the UW System and under WTCS.]

Modify current law to replace references to the early college credit program with references to the new dual enrollment program, including the following: (a) in the notice of educational options required to be published by DPI and by each public school, including charter schools, and each private school participating in a choice program; and (b) in the requirement for a school board to grant a diploma to a pupil who meets high school graduation requirements, regardless of whether the pupil satisfied all or a portion of the requirements while attending a UW or WTCS institution under the dual enrollment programs.

Delete references to the early college credit program in current law, including the following: (a) a requirement for DPI to include the number and percentage of pupils participating in the early college credit program in the accountability report prepared for each district and for each high school in the district; and (b) a requirement for school district clerks to include pupils participating in the early college credit program in the third Friday of September and second Friday of January headcounts.

Additionally, delete current law requiring school boards to pay the tuition of any enrolled pupil attending a UW institution if the pupil is not participating in the early college credit program, the course the pupil is attending at the university is not offered in the district, and the pupil will receive high school credit for the course.

Under current law, high school students enrolled in a public or private school can enroll in courses at a UW institution, a private, non-profit college or university, or a tribal college under the early college credit program. Under the program, the cost of a course is shared between the student's school or school district and the state, if the student will receive high school credit for the course, or between the school or school district, the state, and the student, if the student will receive only postsecondary credit for the course. Tuition charged by the UW institution cannot exceed

one-third of the amount that would be charged to an individual who is enrolled as a Wisconsin undergraduate student for a pupil attending a four-year institution, or one-half the amount charged to a resident undergraduate for a pupil attending a UW College institution. Tuition charged by a private university cannot exceed one-third of the amount that would be charged by UW-Madison for a resident undergraduate student enrolled in a similar course. (A separate program exists allowing juniors and seniors enrolled in a public high school to take technical college courses under a dual enrollment program specific to WTCS. Under the program, a student does not pay for a college course if the district determines the course qualifies for high school credit and is not comparable to a course already offered in the district.)

Joint Finance: Delete provision.

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$685,200	0.00
FED	767,000	- 8.00
PR	793,200	0.00
Total	$2,245,400	- 8.00

Governor/Joint Finance: Provide adjustments to the base budget totaling $318,900 GPR, $577,500 FED and -8.0 FED positions, and $396,600 PR in 2019-20 and $366,300 GPR, $189,500 FED, and $396,600 PR in 2020-21 for: (a) turnover reduction (-$440,500 GPR and -$525,900 FED annually); (b) removal of noncontinuing items from the base (-$455,700 FED and -8.0 FTE in 2019-20 and -$844,300 FED in 2020-21); (c) full funding of continuing position salaries and fringe benefits ($425,900 GPR, $1,519,100 FED, and $373,700 PR annually); (d) reclassifications and semi-automatic pay progression ($8,900 PR annually); (e) overtime ($273,500 GPR, $50,100 FED, and $13,800 PR annually); (f) night and weekend differential pay ($55,300 GPR, $400 FED, and $200 PR annually); and (g) lease and directed moves costs ($4,700 GPR and -$10,500 FED in 2019-20 and $52,100 GPR and -$9,900 FED in 2020-21).

2. MENTAL HEALTH AND SCHOOL CLIMATE TRAINING PROGRAMS [LFB Paper 571]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,160,000	- $5,160,000	$0

Governor: Provide an increase of $2,580,000 annually above base level funding of $420,000 for mental health and school climate training programs. Require DPI to provide training on pupil mental health, strategies to improve school climate, and school safety. As under current law, DPI would be required to provide training to school district staff and the instructional staff of independent charter schools regarding the following: (a) screening, brief interventions, and referral

to treatment (SBIRT); (b) trauma sensitive schools; and (c) youth mental health first aid.

In addition, require DPI to annually award a grant to each of the following: (a) the Wisconsin Safe and Healthy Schools Training and Technical Assistance Center; (b) Wisconsin Family Ties, Inc., to train individuals to help families understand and access mental health services that are available to children in school and in the community; and (c) the Center for Suicide Awareness, Inc., to support staff, training, and expenses related to operating a text-based suicide prevention program. Authorize DPI to promulgate rules to implement and administer the training program.

Joint Finance: Delete provision. Instead, provide $110,000 annually in the Joint Committee on Finance supplemental appropriation for release to DPI upon request and approval by the Committee for HOPELINE, a text-based suicide prevention service operated by the Center for Suicide Awareness. The fiscal effect of this item is shown under Program Supplements.

3. SUPPORT FOR THE YOUTH RISK BEHAVIOR SURVEY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$300,000	- $300,000	$0

Governor: Provide $150,000 annually to support online administration of the youth risk behavior survey.

The survey is administered to middle- and high school pupils every two years in conjunction with the federal Center for Disease Control and Prevention, and collects data on topics such as mental health, alcohol and drug use, sexual behavior, and interpersonal violence.

Joint Finance: Delete provision.

4. GRANTS FOR NATIONAL TEACHER CERTIFICATION OR MASTER EDUCATOR LICENSURE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,224,100	- $1,224,100	$0

Governor: Provide $571,200 in 2019-20 and $652,900 in 2020-21 above base level funding of $2,910,000 for grants for teachers who are nationally board certified or hold a Wisconsin master educator license.

Increase the size of the annual grant (either $2,500 or $5,000) under the current program for teachers who are employed in a school or school district the meets certain requirements as follows: (a) the annual grant would be $15,000 in any school year in which the eligible individual is employed in a school that satisfies the following two criteria: (1) at least 60% of enrolled pupils

meet the eligibility criteria for a free or reduced-price lunch under federal law; and (2) the school is located in an urban school district; and (b) the annual grant would be $10,000 for eligible teachers in any school year in which the individual is employed in a school that satisfies the following two criteria: (1) at least 60% of enrolled pupils meet the eligibility criteria for a free or reduced-price lunch under federal law; and (2) the school is not located in an urban school district.

Define an urban school district as one with an enrollment of at least 18,000 pupils in either of the previous school year or the 2018-19 school year. Based on 2018-19 enrollment data, Green Bay, Kenosha, Madison, Milwaukee, and Racine would meet the urban school district definition.

Specify that the new grant amounts would first apply to grants awarded in the 2019-20 school year.

Under current law, any educator who obtains a national certificate from the National Board for Professional Teaching Standards or completes the Wisconsin master educator assessment process is eligible for an initial grant of $2,000, followed by annual grants of $2,500 annually for the duration of the certificate. Educators in schools high poverty schools, defined as those at which at least 60% of pupils are eligible for a free or reduced-price lunch, are eligible for annual grants of $5,000.

Joint Finance: Delete provision.

5. ELIMINATE TEACHER LICENSURE FOR ALTERNATIVE TEACHING PREPARATION PROGRAM

Governor: Delete current law requiring DPI to grant an initial teaching license to an individual who meets the following requirements: (a) possesses a bachelor's degree; (b) has successfully completed an alternative teacher certification program operated by an alternative preparation program provider that is a non-profit organization under section 501(c)(3) of the internal revenue code, that operates in at least five states and has been in operation for at least ten years, and that requires the candidate to pass a subject area exam and the pedagogy exam known as the Professional Teaching Knowledge exam to receive a certificate under the program; and (c) successfully completes a background check.

Joint Finance: Delete provision.

6. DELETE LAPSE OF TEACHER LICENSING FEES [LFB Paper 604]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	- $533,600	$624,600	$91,000

Governor: Specify that all program revenue received in the appropriation for teacher licensure would be credited to the appropriation for that purpose, rather than 90% of certain revenues as under current law. This would result in an estimated decrease of GPR-Earned equal to

$266,800 annually.

Under current law, 90% of revenues received from fees for the licensure of school and public library personnel are retained by DPI. The remaining 10% lapse to the general fund.

Joint Finance: Delete provision. Additionally, increase estimated GPR-Earned for DPI by $44,500 in 2019-20 and $46,500 in 2020-21.

7. DEBT SERVICE REESTIMATE

GPR	$137,400

Governor/Joint Finance: Provide $106,100 in 2019-20 and $31,300 in 2020-21 as a reestimate of debt service payments for the state residential schools. Annual base level funding is $988,700 GPR.

8. FUEL AND UTILITIES REESTIMATE [LFB Paper 600]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$88,700	- $27,000	$61,700

Governor: Provide $38,900 in 2019-20 and $49,800 in 2020-21 to reflect estimated costs for fuel and utilities for the state residential schools. Base level funding is equal to $512,200 GPR annually.

Joint Finance: Reduce funding by $13,500 in each year of the biennium.

9. SCHOOL MENTAL HEALTH PROGRAMS POSITION AUTHORITY [LFB Paper 571]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$167,600	1.00	- $167,600	- 1.00	$0	0.00

Governor: Provide $72,100 and 1.0 position beginning in 2019-20 and $95,500 in 2020-21 to support programming for mental health in schools.

Joint Finance: Delete provision.

10. STAFF FOR TRANSFERRED GRANT PROGRAMS [LFB Paper 601]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$111,500	1.00	- $111,500	- 1.00	$0	0.00

Governor: Provide $48,000 and 1.0 position beginning in 2019-20 and $63,500 in 2020-21. The Executive Budget Book indicates that this position would coordinate the following programs transferred from the Department of Workforce Development: (a) career and technical education grants; (b) career and technical completion awards; (c) grants for teacher training and recruitment; (d) teacher development grants; and (e) technical equipment grants.

Joint Finance: Delete provision.

11. BILINGUAL-BICULTURAL POSITION AUTHORITY [LFB Paper 572]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$95,500	1.00	- $95,500	- 1.00	$0	0.00

Governor: Provide $95,500 and 1.0 position beginning in 2020-21 to administer programming for bilingual-bicultural pupils and limited-English proficient pupils.

Joint Finance: Delete provision.

12. FARM TO SCHOOL GRANT POSITION [LFB Paper 137]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$111,500	1.00	- $111,500	-1.00	$0	0.00

Governor: Provide $48,000 and 1.0 position beginning in 2019-20 and $63,500 in 2020-21 to coordinate the farm to school grant program with the Department of Agriculture, Trade, and Consumer Protection.

Joint Finance: Delete provision.

13. WISCONSIN READING CORPS [LFB Paper 602]

GPR	$1,400,000

Governor/Joint Finance: Provide $700,000 annually for the Wisconsin Reading Corps

(WRC), an AmeriCorps program that provides one-on-one literacy tutoring. Additionally, delete current law limiting the grants to the 2017-18 and 2018-19 fiscal years, but continue to require that WRC meet a $250,000 annual matching requirement in order to receive funds.

Under 2017 Act 59, WRC was provided with one-time funding of $300,000 in 2017-18 and $700,000 in 2018-19, with a requirement that the organization provide matching funds of $250,000 in each year as a condition of receiving the state payment.

14. VERY SPECIAL ARTS

GPR	$50,000

Governor/Joint Finance: Provide $25,000 annually above base level funding of $75,000 for Very Special Arts, a non-profit organization that provides art, music, drama, and other creative opportunities to children and adults with disabilities.

15. SPECIAL OLYMPICS

GPR	$50,000

Governor/Joint Finance: Provide $25,000 annually above base level funding of $75,000 to increase funding for Special Olympics, a non-profit organization that provides year-round sports training and athletic competition for children and adults with intellectual disabilities. Funding is used to offset the organization's general administrative costs.

16. GRANTS FOR BULLYING PREVENTION

Governor: Modify current law relating to the grant for bullying prevention to specify that the grant must be awarded annually to the nonprofit organization that received the award in the 2017-18 and 2018-19 school years. (The grant was awarded in those years to the Children's Hospital of Wisconsin.)

Funding is equal to $150,000 GPR annually, and the grants must provide training and an online bullying prevention curriculum for pupils in grades kindergarten to eight.

Joint Finance: Delete provision.

17. PUBLIC LIBRARY SYSTEM AID [LFB Paper 603]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$6,500,000	- $4,500,000	$2,000,000

Governor: Provide $2,500,000 in 2019-20 and $4,000,000 in 2020-21 above base level funding of $15,013,100 for public library system aid. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. One-time funding of $500,000 in 2017-18 and $1,000,000 in 2018-19 was provided under 2017 Act 59.

Joint Finance: Delete $1,500,000 in 2019-20 and $3,000,000 in 2020-21. Under Joint Finance, funding would increase by $1,000,000 annually above base level funding of $15,013,100.

18. BADGERLINK AND NEWSLINE FOR THE BLIND

SEG	$345,800

Governor/Joint Finance: Provide $345,800 in 2020-21 to increase funding for the contracts with current BadgerLink vendors and to maintain the current level of services through Newsline for the Blind. Annual base level funding is equal to $2,937,500.

BadgerLink is an online library that contracts with vendors to provide access to licensed content such as magazines, newspapers, scholarly articles, videos, images, and music. Newsline for the Blind provides access to daily newspapers for people who cannot read print newspapers via an automated electronic voice that can be accessed using a telephone.

The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

19. LIBRARY SERVICE CONTRACTS

SEG	$301,300

Governor/Joint Finance: Provide $133,200 in 2019-20 and $168,100 in 2020-21 above base level funding of $1,174,300 to fully fund the cost of statutorily-required library service contracts for resources of specialized library materials and other information.

DPI contracts with four service providers: (a) the Milwaukee Public Library; (b) the University of Wisconsin-Madison; (c) the Wisconsin Talking Book and Braille Library; and (d) the Cooperative Children's Book Center. DPI indicates that projected costs for each of the contracts will increase over the biennium due to general operating cost increases, and insufficient funding would result in a cap on the amount of material that can be requested from the Milwaukee Public Library and the UW-Madison library.

The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

20. TRIBAL LANGUAGE REVITALIZATION GRANT OPERATIONS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$100,000	- $100,000	$0

Governor: Provide $100,000 beginning in 2020-21 to pay operational and administrative costs incurred by the Great Lakes Inter-Tribal Council, Inc., to implement and administer tribal language revitalization grant programs. The program revenue is provided from tribal gaming

revenue transferred from DOA. Authorize DPI to contract with the Great Lakes Inter-Tribal Council, Inc., to implement and administer the grant program, and make payments to the Council from the operations appropriation.

Joint Finance: Delete provision.

21. WISELEARN

Governor: Expand the statutory purposes of WISElearn to include supporting digital archiving projects in public libraries.

Under current law, DPI is required to develop and maintain an online resource, called WISElearn, to provide educational resources for parents, teachers, and pupils; offer online learning opportunities; provide regional technical support centers; provide professional development for teachers; and enable video conferencing.

Joint Finance: Delete provision.

22. TRANSFER THE OFFICE OF SCHOOL SAFETY TO DPI

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$143,800	1.00	- $143,800	- 1.00	$0	0.00

Governor: Provide $48,300 in 2019-20 and $95,500 in 2020-21 and 1.0 position beginning in 2019-20 for the Office of School Safety.

Transfer the Office and its existing responsibilities from the Department of Justice (DOJ) to DPI. Specify that the director of the office would be appointed by the State Superintendent in the classified service and eliminate current law that assigns this position under DOJ to executive salary group 3 in the unclassified service. (Under current law, the Office's responsibilities include creating model practices for school safety, coordinating with schools and the Department of Administration to compile blueprints and geographic information system maps for all schools, and offering, or contracting with another party to offer, training to school staff on school safety.) Require DOJ to provide any resources or staff requested by the Office of School Safety to create the model practices and retain DOJ's current role in offering training to school staff on school safety.

Transfer the continuing appropriation for school safety grants, as well as the authority to award grants, to DPI. As under current law, grants may be awarded to school districts, independent charter schools, private schools, or tribal schools for expenditures related to improving school safety from a continuing appropriation.

Specify that the transfer would take effect on January 1, 2020. On that date, all tangible

personal property of DOJ and contracts entered into by DOJ that are primarily related to the duties of the Office of School Safety, as determined by the State Superintendent, would be transferred to DPI. The contracts would remain in effect and DPI would be required to carry out any obligations under those contracts unless modified or rescinded to the extent allowed under the contract. All rules promulgated by DOJ or orders issued by DOJ that are in effect on the transfer date and are primarily related to the duties of the Office of School Safety, as determined by the State Superintendent, would remain in effect until their specified expiration dates or until modified or rescinded by DPI.

Joint Finance: Delete provision.

23. PAID PLANNING TIME FOR TEACHERS

Governor: Require every school board to provide each of its teachers with paid planning time each school day equal to at least 45 minutes or the equivalent of one class period, whichever is longer.

Joint Finance: Delete provision.

PUBLIC SERVICE COMMISSION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$50,400,000	$0	- $50,400,000	- 100.0%	$0	N.A.
FED	5,430,600	2,621,600	5,598,500	2,976,900	113.6	167,900	3.1%
PR	40,044,200	41,174,400	40,650,700	- 523,700	- 1.3	606,500	1.5
SEG	13,055,800	37,210,800	57,010,800	19,800,000	53.2	43,955,000	336.7
TOTAL	$58,530,600	$131,406,800	$103,260,000	- $28,146,800	- 21.4%	$44,729,400	76.4%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
FED	10.25	5.25	10.25	5.00	0.00
PR	139.00	140.00	139.00	- 1.00	0.00
SEG	4.00	4.00	4.00	0.00	0.00
TOTAL	153.25	149.25	153.25	4.00	0.00

Budget Change Items

Broadband Provisions

1. BROADBAND EXPANSION GRANT PROGRAM [LFB Paper 610]

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Funding	Jt. Finance (Chg. to Gov) Positions	Net Change Funding	Net Change Positions
SEG-Transfer	$24,200,000		$19,800,000		$44,000,000	
GPR	$50,400,000	0.00	- $50,400,000	0.00	$0	0.00
PR	123,700	1.00	- 123,700	- 1.00	0	0.00
SEG	24,200,000	0.00	19,800,000	0.00	44,000,000	0.00
Total	$74,723,700	1.00	- $30,723,700	- 1.00	$44,000,000	0.00

Governor: Create a biennial appropriation and provide $30,400,000 GPR in 2019-20 and $20,000,000 GPR in 2020-21 for the Public Service Commission's (PSC) broadband expansion grant program. Further, transfer $6,900,000 FED in 2019-20 and $17,300,000 FED in 2020-21 from the Department of Administration's (DOA) federal e-rate aid appropriation to the segregated universal service fund (USF) and increase the USF SEG continuing appropriation for the broadband expansion grant program by the same amount. Additionally, provide $53,000 PR in 2019-20 and $70,700 PR in 2020-21 with 1.0 position in the Commission's State Broadband Office to assist in administering the grant program.

Under the bill, total budgeted GPR and SEG expenditures for the broadband expansion grant program are $37.3 million each year of the biennium. The bill would create base funding of $40 million GPR per biennium. Additional amounts may become available for broadband expansion grant awards during the biennium, as current law requires unexpended amounts from other USF appropriations to be transferred to the broadband expansion grant appropriation.

Created in 2013, the broadband expansion grant program provides grants for projects that increase broadband access and capacity in underserved areas of the state. Since its inception through 2018-19, the program has awarded $20.2 million in grants to 143 projects. As discussed in another item, the Governor's recommendations would revise the definition of unserved and underserved areas of broadband service, which would modify eligibility for and prioritization of broadband expansion grant awards.

Federal e-rate aid generally supports funding to schools, libraries, and other educational entities to provide affordable access to telecommunications service. As of June 30, 2018, the balance of the federal e-rate continuing appropriation was $28.8 million. [For further information on changes to e-rate, see "Administration -- General Agency Provisions."]

Joint Finance: Increase the transfer to the USF from DOA's federal e-rate aid appropriation to $22,000,000 FED each year of the biennium for broadband expansion grants. Budget USF SEG-funded broadband expansion grants at the same amount each year. Delete the Governor's proposed GPR funding for broadband expansion grants, as well as the 1.0 PR position and associated funding.

2. DEFINITION OF BROADBAND [LFB Paper 610]

Governor: Modify the definitions of unserved and underserved broadband areas for the purposes of awarding grants under the broadband expansion grant program. Define unserved areas as those in which households or businesses lack access to broadband service of at least 10 megabits per second (Mbps) download speed and 1 Mbps upload speed. Define underserved areas as those in which households or businesses lack access to broadband service of at least 25 Mbps download speed and 3 Mbps upload speed.

The bill definition for an underserved area would adopt the current Federal Communications Commission (FCC) minimum speed benchmark for service to be considered high-speed broadband. Federal law requires the FCC and state telecommunications agencies to encourage the nationwide deployment of such high-speed broadband capabilities. Similarly, state statutes require

PSC to make broadband expansion grants to unserved and underserved areas and to encourage the development of broadband infrastructure in underserved areas. Under current law, underserved areas are defined as those served by fewer than two broadband service providers. Unserved areas are defined as those without a fixed wireless or wired internet service of at least 5 Mbps download speed and 0.6 Mbps upload speed, or 20% of the benchmark speed set by the FCC.

In an errata item, the administration indicated it intended to additionally define: (a) underserved areas as lacking access to at least two providers and speeds of at least 25 Mbps download speed and 3 Mbps upload speed; and (b) broadband as either fixed wireless or wired service.

Joint Finance: Delete provision.

3. MUNICIPAL BROADBAND FACILITIES IN UNDERSERVED OR UNSERVED AREAS

Governor: Modify the current law provisions relating to the municipal broadband facilities to create separate requirements for broadband facilities that are intended to serve an underserved or unserved area. (The provision would adopt amended definitions for unserved and underserved areas created under the bill and described in the previous item.)

Under current law, no city, village, or town may enact an ordinance or adopt a resolution authorizing the municipality to construct, own, or operate any facility for providing video service, telecommunications service, or broadband service to the public unless certain public hearing, notice, revenue and cost reporting, and cost-benefit analysis requirements are met. Specifically, municipalities are to provide personnel costs and costs of acquiring, installing, maintaining, repairing, or operating any plant or equipment. Additionally, municipalities are to include an appropriate allocated portion of costs of personnel, plant, or equipment that are used to provide jointly both telecommunications services and other services. The bill would specify that a municipal broadband facility that serves an underserved or unserved area would not have to provide information on these specific costs.

Also under current law, the public hearing, notice, revenue, and cost reporting requirements do not apply to cases in which the municipality in writing solicits responses from area broadband providers as to whether the provider offers service in the municipality's boundaries, or intends to offer service in the area within nine months, and one of the following occurs: (a) no persons respond to the municipality's request within 60 days; (b) all respondents who purport to offer service are found not to offer service; or (c) a person intending to offer service within nine months does not meet such a time limit. The bill would specify: (a) for unserved or underserved areas, a provider would have to expect to offer service within three months; and (b) a person must actively plan to offer service within either the nine- or three-month limit.

Further, current law provides public hearing, notice, revenue, and cost reporting requirements are not required for a broadband service facility if the following apply: (a) the municipality itself does not use the facility to provide service to end users; and (b) the municipality determines at the time the facility is authorized that the facility does not compete with more than

one broadband service provider. The bill would amend the provisions to specify facilities intended for unserved or underserved areas would not have to meet these requirements. The bill would not change a requirement that a municipality must offer use of the facility on a nondiscriminatory basis to persons who provide broadband service to end users of the service.

Joint Finance: Delete provision.

4. STATE BROADBAND ACCESS GOAL

Governor: Establish a goal that by January 1, 2025, all businesses and homes in the state have access to broadband service with at least 25 megabits per second (Mbps) download speed and 3 Mbps upload speed.

Joint Finance: Delete provision.

5. BROADBAND REPORT

Governor: Require PSC and DOA jointly to submit a report to the Governor and Legislature by June 30, 2020, that provides: (a) updates on emerging broadband technologies and how they can be used to provide broadband to state residents; (b) recommendations on how to provide incentives to providers of broadband to provide service to unserved or underserved areas of the state; and (c) proposals on how state resources may be leveraged to provide service to underserved or unserved areas of the state. The provision would adopt amended definitions for unserved areas and underserved areas created under the bill and described in a separate item.

Joint Finance: Delete provision.

Departmentwide and Energy Programs

1. STANDARD BUDGET ADJUSTMENTS

PR	$378,500
FED	167,900
SEG	- 45,000
Total	$501,400

Governor/Joint Finance: Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-$263,500 PR annually); (b) full funding of continuing position salaries and fringe benefits ($338,700 PR, $82,400 FED, and -$22,500 SEG annually); (c) reclassifications and semi-automatic pay progression ($13,200 PR annually); and (d) full funding of lease and directed moves costs ($90,300 PR in 2019-20 and $111,400 PR in 2020-21, and $1,400 FED in 2019-20 and $1,700 FED in 2020-21).

2. UTILITY CONTRIBUTION FOR ENERGY EFFICIENCY AND RENEWABLE RESOURCE PROGRAMS

Governor: Specify that PSC may require energy utilities to spend more than 1.2% of annual operating revenues to fund statewide energy efficiency and renewable resource programs, known as Focus on Energy, subject to review and approval by the Joint Committee on Finance (JFC). Specify that, within 10 working days of submittal of the proposal, the JFC Co-chairpersons must notify the Commission they have scheduled a meeting to review the proposal, or the proposal would be approved. If the Co-chairpersons of JFC notify the Commission of a scheduled meeting, specify that JFC would have 90 days to reject the proposal, or PSC could implement it. Specify that during the 90-day period, the Committee could also approve the proposal, which would allow for its immediate implementation.

2011 Wisconsin Act 32 repealed PSC's authority to require utilities, subject to JFC approval, to contribute more than 1.2% of operating revenues for the purposes of energy efficiency and renewable resource programs. In December, 2010, JFC voted to require contribution levels of $120 million in 2011 (an estimated 1.5% of operating revenues), $160 million in 2012 (1.9%), $204 million in 2013 (2.5%), and $256 million in 2014 (3.2%). Act 32 subsequently reverted these increased contribution levels, limiting contributions to 1.2%.

The Focus on Energy program provides incentives, technical resources, and information to help residential and business customers reduce energy consumption through conservation and energy efficiency practices. PSC reports that in 2017, approximately 992,000 homeowners and businesses participated in the program, which had expenditures of $101.8 million.

Joint Finance: Delete provision.

3. INTERVENOR COMPENSATION [LFB Paper 615]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$600,000	- $400,000	$200,000

Governor: Provide an additional $300,000 each year for intervenor compensation, for a total of $1,042,500 each year of the biennium. Further, increase the Commission's authorization to award, from this amount, grants to nonstock, nonprofit corporations that have a history of advocating on behalf of residential ratepayers for affordable rates from a total of $300,000 annually to $500,000 annually. Only one recipient, the Citizens Utility Board, has received funding under this authorization since its inception under 2009 Wisconsin Act 383.

The intervenor compensation program provides financial assistance to organizations and individuals who choose to become an intervenor for a Commission proceeding. When organizations or individuals have been granted intervenor status, they may submit testimony and exhibits at hearings, which become part of the record considered by the Commission in making decisions. Generally, intervenors use the compensation to pay for expert witnesses. Financing is

funded through assessments on utilities, typically the utility involved in the proceeding, and budgeted as PR. The intervenor compensation appropriation level serves as a limit on intervenor expenditures, and the PSC does not assess for expenditures that do not occur.

Joint Finance: Provide an additional $100,000 PR each year for intervenor compensation rather than the recommended $300,000. Delete the Governor's proposal to increase the Commission's authorization to award grants to nonstock, nonprofit corporations that advocate on behalf of residential ratepayers. Intervenor compensation would be budgeted at $842,500 each year.

4. TRANSFER OFFICE OF ENERGY INNOVATION DUTIES TO THE DEPARTMENT OF ADMINISTRATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- $2,976,900	$2,976,900	$0

Governor: Transfer $1,275,800 in 2019-20 and $1,701,100 in 2020-21 with 5.0 positions associated with the PSC Office of Energy Innovation (OEI) to DOA to create the Office of Sustainability and Clean Energy (OSCE). Specify that the transfer will occur on the effective date of the bill, or October 1, 2019, whichever is later.

Provide that transferred positions will retain their incumbent employees, as determined by the DOA Secretary, and those employees' rights and status. In addition to positions and funding, specify that all assets, liabilities, tangible personal property, records, pending matters, contracts and their obligations, and rules and orders, as determined by the DOA Secretary, transfer to OSCE. Specify that transfers associated with this provision exclude any elements primarily relating to PSC's Focus on Energy program, which is managed by OEI.

Renumber statutes related to responsibilities of OEI from Chapter 196 to Chapter 16, to reflect transfer of those duties to OSCE in DOA. Transferred duties include: (a) collection, analysis, interpretation, and maintenance of data for state energy planning and review by the Legislature and Governor; (b) administration of federal energy grants; and (c) preparation and maintenance of contingency plans for responding to energy shortages in consultation with PSC. Require PSC to consult with OSCE on issues relating to provision of technical assistance to local units of government and schools for the purposes of planning and implementation of energy efficiency and renewable resources programs. [For further information on the creation and duties of OSCE, see the entry under "Administration -- Housing and Energy."]

OEI was created from a transfer of State Energy Office duties from DOA to PSC under 2015 Wisconsin Act 55. OEI provides assistance to residents, businesses, and local governments to increase investment in renewable energy and energy efficiency projects. OEI projects include, among others: (a) Focus on Energy, a statewide program supported by energy utility revenues that provides incentives, technical resources, and information to residential and business customers to reduce energy consumption; (b) increasing utilization of ethanol in motor vehicle fuel; (c)

providing grants to local governments, school districts, and manufacturers to support investment in renewable energy and energy efficiency; (d) collaborating with local governments and schools to implement renewable energy and energy efficiency programs; and (e) collecting and reporting energy statistics.

Joint Finance: Delete provision.

5. TRANSFER ADMINISTRATION OF HIGH-VOLTAGE IMPACT FEES

Governor: Transfer administration of one-time environmental impact fees and annual impact fees paid by persons granted certificates of public convenience and necessity for construction and operation of high-voltage transmission lines from DOA to PSC. [See "Administration -- Transfers."]

Under current law, owners of high-voltage transmission lines make a one-time payment equal to 5% of the cost of the transmission line, and annual payments equal to 0.3% of the cost of the transmission line to DOA, which then distributes the amounts in a proportional manner to local governments affected by the transmission line.

Joint Finance: Delete provision.

6. OFFICE OF THE COMMISSIONER OF RAILROADS SUPPLIES AND SERVICES INCREASE

PR	$28,000

Governor/Joint Finance: Provide $14,000 annually to the Office of the Commissioner of Railroads for supplies and services costs. Increased funding is intended to cover costs previously absorbed by the Commission, but now directly allocated to the Office. These costs include rent, information technology, and other office expenses. The Office of the Commissioner of Railroads serves as a quasi-judicial agency responsible primarily for overseeing 4,300 rail-highway crossings in Wisconsin, and is administratively attached to PSC.

7. STATE CARBON-FREE ELECTRICITY GOAL

Governor: Establish a goal that all electricity produced within the state be 100% carbon-free by January 1, 2050. No definition of carbon-free is provided in the bill.

Joint Finance: Delete provision.

8. WHOLESALE MERCHANT PLANT CONTRACT LIMIT

Joint Finance: Delete the three-year contract limit for sale of wholesale electricity on an ongoing and uninterruptible basis by a merchant plant that has a financial interest in a utility to that utility. Utilities would still be required to receive approval from the Commission to operate a wholesale merchant plant and the Commission would retain the authority to regulate sale of electricity by a wholesale merchant plant to a utility.

REVENUE

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$307,034,200	$314,025,900	$365,576,500	$51,550,600	16.4%	$58,542,300	19.1%
PR	41,807,200	42,260,800	42,260,800	0	0.0	453,600	1.1
SEG	83,539,800	91,958,100	38,101,700	- 53,856,400	- 58.6	- 45,438,100	- 54.4
TOTAL	$432,381,200	$448,244,800	$445,939,000	- $2,305,800	- 0.5%	$13,557,800	3.1%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	953.08	989.08	953.08	- 36.00	0.00
PR	136.50	136.50	136.50	0.00	0.00
SEG	92.45	92.45	92.45	0.00	0.00
TOTAL	1,182.03	1,218.03	1,182.03	- 36.00	0.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	- $57,700	0.00
PR	256,400	- 2.00
SEG	309,100	0.00
Total	$507,800	- 2.00

Governor/Joint Finance: Provide adjustments to the base budget for: (a) turnover reduction (-$1,714,100 GPR and -$118,300 SEG annually); (b) removal of noncontinuing elements from the base (-$98,600 PR and -2.00 PR positions annually); (c) full funding of continuing position salaries and fringe benefits ($1,491,600 GPR, $140,800 PR, and $249,300 SEG annually); (d) reclassifications and semiautomatic pay progression ($24,200 PR and $2,600 SEG in 2019-20 and $96,300 PR and $12,700 SEG in 2020-21); (e) full funding of lease and directed moves costs ($132,800 GPR, $19,500 PR, and $7,100 SEG in 2019-20 and $254,500 GPR, $32,000 PR and $24,700 SEG in 2020-21); and (f) minor transfers within the same alpha appropriation.

2. MINOR TRANSFERS BETWEEN APPROPRIATIONS

Governor/Joint Finance: Transfer $176,500 GPR and 2.75 FTE positions annually from the Department of Revenue's (DOR) administrative services and space rental appropriation to its collection of taxes appropriation. In addition, transfer $30,000 GPR annually from DOR's collection of taxes appropriation to its administrative services and space rental appropriation.

Several vacant GPR positions were deleted in the 2017-19 budget. The administration notes that 2.75 of these positions (2.0 Revenue Tax Specialists, 0.5 Revenue Agent and 0.25 Business Analyst) and associated funding for salary and fringe benefits were erroneously removed from the collection of taxes appropriation instead of the administrative services and space rental appropriation. This provision would correct this error.

Additionally, the 2017-19 budget provided additional auditor positions for which the collection of taxes appropriation received all associated funding related to administrative expenses, including $30,000 annually for the cost of renting additional office space to accommodate the new positions. However, DOR indicates that this funding should have been credited to the administrative services and space rental appropriation. The administration states that this transfer would allocate funding for space rental to the proper appropriation.

3. EXTEND UNCLAIMED PROPERTY PROGRAM PERMANENT PROJECT POSITIONS

	Funding	Positions
PR	$197,200	2.00

Governor/Joint Finance: Provide $98,600 annually associated with 2.0 permanent project positions for the unclaimed property program and extend the positions two years, from an end date of June 30, 2019, to an end date of June 30, 2021. Funding for the positions is from unclaimed property program revenue.

Tax Administration

1. EXPAND AUDITING ACTIVITY [LFB Paper 625]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$7,049,400	36.00	- $7,049,400	- 36.00	$0	0.00
GPR-Tax	$43,500,000		- $43,500,000		$0	

Governor: Provide $3,215,100 in 2019-20 and $3,834,300 in 2020-21 and 36.0 positions annually (24.0 project positions and 12.0 permanent positions) to increase auditing activity and to improve tax collections. The administration estimates the additional auditing activity would

increase state tax collections by $14,500,000 in 2019-20 and $29,000,000 in 2020-21. The project positions would be authorized from October 1, 2019, through September 30, 2023.

According to the administration, the volume of new tax debts has increased steadily in recent years, and the resulting workload exceeds its current staffing levels. In addition, the administration notes that the U.S. Supreme Court decision in *Wayfair v. South Dakota* has increased the number of sellers who are required to collect sales and use tax on sales in Wisconsin, which has expanded the number of out-of-state businesses that may be subject to audit. The additional positions would be provided to the Division of Income, Sales, and Excise Tax as follows:

a. 11.0 nexus-related project staff (10.0 Nexus Revenue Auditors and 1.0 Revenue Management Supervisor) in the Division's Audit Bureau to investigate businesses operating in Wisconsin but not filing or paying sales and use taxes.

b. 13.0 sales tax audit project staff (10.0 Sales Tax Revenue Auditors, 1.0 Revenue Management Supervisor, and 2.0 Computer Audit Sampling Specialists) in the Division's Audit Bureau to conduct additional sales tax audits of businesses headquartered outside Wisconsin.

c. 12.0 delinquent collections permanent staff (11.0 Revenue Agents and 1.0 Revenue Agent Supervisor) in the Division's Compliance Bureau to investigate delinquent tax collections.

Joint Finance: Delete provision. Instead, specify that the expiration of 38.0 audit and compliance project positions provided to DOR under 2017 Wisconsin Act 59 be extended from an expiration date of September 30, 2021, to September 30, 2023. This provision would not have a fiscal effect in the 2019-21 biennium, but is estimated to increase state tax revenues relative to current law by $24.0 million in 2021-22, $32.0 million in 2022-23, and $8.0 million in 2023-24.

2. CHANGES TO STATE DEBT COLLECTION THROUGH LOTTERY OPERATIONS [LFB Paper 626]

Governor: Modify state debt collection programs to provide that certain lottery prizes and payments owed to lottery retailers could be offset as refunds under the state debt collection (SDC) program, including debts owed to municipalities and counties.

Expand the Definition of a Refund to Expand Setoff Authority for SDC Purposes. Under current law, a refund for purposes of the SDC program includes the amount by which either of the following exceeds a debtor's Wisconsin tax liability or any other liability owed to DOR: (a) the amount of any payments or refundable credits; and (b) the amount owed to a debtor for the return of abandoned property. Any lottery prize of at least $600 is set off against amounts owed in court-ordered child support or in delinquent state taxes. The bill would expand the definition of a refund for SDC purposes to include a lottery prize of at least $600 that exceeds a debtor's state tax liability or other liability, including those against debts owed by the debtor to other state agencies, municipalities, or counties.

Setoffs against Retailer Compensation. The bill would also expand the definition of a refund to include compensation or payment amounts owed to a lottery retailer, whether owed by statute,

rule, or contract, that exceed the retailer's state tax liability or other liability owed to DOR. This would allow DOR to set off any debt or other amount owed to it (regardless of the origin, nature, or date of the debt or amount), against any compensation or payment owed to a lottery retailer. If the retailer is owed any additional amounts following this setoff, DOR would apply those amounts to any debts owed by the retailer to other state agencies, municipalities, or counties.

Collection Fees Charged to Debtors. Under the bill, DOR would charge the winner or assignee of a lottery prize a *collection fee* imposed under the SDC program, rather than an *administrative expense*, and could withhold that fee from the prize payment.

Order of Setoffs. Current law establishes that, if a lottery prize winner or assignee is delinquent both in payments for state taxes and for court-ordered child support, the amount remitted to the appropriate agency or person is in proportion to the prize amount as is the delinquency or debt owed by the winner or assignee. The bill would instead remit amounts owed to the agency or person in the order established by current law under the SDC statutes. As a result, amounts owed by a debtor for purposes of this provision would first be remitted for delinquent state taxes, then for court-ordered child support payments, then for debts owed to other state agencies, then for debts owed to municipalities or counties.

The provision would take effect on the first day of the seventh month beginning after publication of the bill.

Joint Finance: Delete provision.

3. TECHNICAL CHANGES TO STATE DEBT COLLECTION PROGRAMS [LFB Paper 626]

Governor: Make the following modifications to the SDC and tax refund intercept programs.

Consolidation of the Definition of Debt. Current law defines "debt" for purposes of setoffs for state agencies in part by enumerating several amounts owed to various state agencies. Rather than detailing specific types of payments owed to state agencies, the bill would consolidate the definition of "debt" to mean: (a) an amount owed to a state agency; (b) a delinquent child support or spousal support obligation from this state or another state; and (c) amounts owed as restitution. This definition would also apply for purposes of debt collection for state agencies, municipalities, and counties. The bill would define "debtor" to mean any person owing a debt. Additionally, the bill would include the State of Wisconsin in the definition of a "state agency" for purposes of the debt collection programs.

Change to State Agency Debt Certification Process. Under current law, a state agency certifying a debt to DOR is required to provide the social security number of individual debtors. Under the bill, the certifying state agency could either provide the debtor's social security number or the debtor's operator's license number.

Authority to Refer Amounts Owed as Restitution. Under current law, the Department of Corrections (DOC) or a Clerk of Court may certify amounts owed as restitution to DOR if: (a) more than 30 days have passed since the date by which restitution was ordered to be paid; or (b)

restitution was ordered to be paid in installments and the defendant is delinquent in making any such payments. The bill would provide that courts and DOC have specific authority to refer restitution debts to DOR, regardless of the time period in which restitution is owed.

Repeal of Employer Withholding of Pay. Current law authorizes DOR, upon request by a state agency, to enter into agreements with individual debtors who owe debts to the state agency. Upon consent of the debtor, DOR can arrange with the debtor's employer to withhold a specified amount from the debtor's pay to be used against the debt. The bill would repeal this practice.

Changes to Debt Collection Agreements. Current law establishes a procedure by which state agencies, local units of government, and other entities can enter into written agreements with DOR that direct DOR to collect any amount owed to the entity that is more than 90 days past due. Under the bill, such written agreements would not need to be entered into for the recovery of delinquent child support or spousal support payments originating inside or outside the state. The bill would further specify that any legal action contesting the validity of a debt would have to be brought against the entity that referred the debt to DOR.

Refund Offsetting Provisions and Collection Fees Charged to Debtors. Under current law, DOR can offset a refund owed to a debtor against federal tax obligations owed by the debtor. The bill would expand this authority such that DOR could offset both federal tax and nontax obligations owed by a debtor against a refund owed to the debtor. Also under current law, DOR charges a debtor for its administrative expenses associated with debt collection. DOR is required to evaluate these administrative costs annually and adjust its subsequent charges to each debtor accordingly. The bill would instead charge each debtor a collection fee and would remove the requirement that DOR annually review its administrative costs associated with debt collection. The bill does not specify a dollar amount at which the collection fee must be set.

New Debt Reporting Provisions. Under current law, DOR is required to settle quarterly with each state agency, municipality, or county that has certified a debt to it. The bill would repeal this quarterly settlement process and, instead, specify that DOR could provide, upon request by any of the above entities, a report that details each active debt of the entity, including the ending balance. DOR could also provide a weekly report to the entity detailing amounts collected and payments disbursed with respect to the active debts of the entity.

The provision would take effect on the effective date of the bill.

Joint Finance: Delete provision.

4. GPR-EARNED REESTIMATE [LFB Paper 626]

GPR-REV	$10,100,000

Joint Finance: Reestimate the amount transferred from DOR's debt collection appropriation to the general fund at $9,000,000 in 2019-20 and $9,000,000 in 2020-21. As a result, the total estimated amounts transferred to the general fund from DOR under current law and relative to the bill are increased by $5,000,000 in 2019-20 and $5,100,000 in 2020-21.

Lottery Administration

1. LOTTERY SALES PROJECTIONS [LFB Paper 630]

Governor: Project sales of $661.9 million in 2019-20 and $661.9 million 2020-21. Projected lottery sales provide the basis for estimating the lottery and gaming property tax credit in the next biennium. In addition, the projected sales directly affect appropriations for retailer compensation and lottery vendor fees. The following table shows these projections, as well as 2017-18 actual lottery sales and the 2018-19 estimated sales projected in October, 2018, for the purpose of certifying the amount available for the 2018(19) lottery property tax credit. The Governor's 2019-21 projected sales are based on sales models utilized by DOR to estimate both lotto (on-line) and instant ticket games.

Lottery Sales Projections - Governor
($ in Millions)

Game Type	Actual 2017-18	2018-19	2019-20	% Change from 2018-19	2020-21	% Change from 2019-20
Scratch	$419.4	$421.8	$421.8	0.0%	$421.8	0.0%
Pull-tab	$1.0	1.0	1.0	0.0	1.0	0.0
Lotto	247.0	239.1	239.1	0.0	239.1	0.0
Total	$667.4	$661.9	$661.9	0.0%	$661.9	0.0%

Joint Finance: Reestimate 2018-19 lottery sales to $709.2 million to reflect recent sales experience. Reestimate 2019-20 and 2020-21 sales to $691.9 million.

Lottery Sales Projections - Joint Finance
($ in Millions)

Game Type	2018-19	2019-20	% Change from 2018-19	2020-21	% Change from 2019-20
Scratch	$446.0	$436.4	-2.2%	$436.4	0.0%
Pull-tab	1.0	1.0	-0.1	1.0	0.0
Lotto	262.2	254.5	0.0	254.5	0.0
Total	$709.2	$691.9	-2.4%	$691.9	0.0%

2. LOTTERY FUND CONDITION STATEMENT [LFB Paper 630]

Governor: The total revenue available for tax relief, minus a statutory reserve (2% of gross revenue) and the amount appropriated for the lottery and gaming credit late applications payments, determines the amount available for the lottery and gaming tax credit. The following fund

condition statement provides information on operating revenues, appropriated amounts for expenditures, estimates of interest earnings and gaming-related revenue, and the amounts available for tax relief credits under the bill. The bill would appropriate $218,139,100 in 2019-20 and $218,188,000 in 2020-21 for both the lottery and gaming tax credit and the late lottery and gaming credit.

	Projected 2019-20	Projected 2020-21
Fiscal Year Opening Balance	$13,239,000	$13,239,800
Operating Revenues		
Total Ticket Sales	$661,857,200	$661,857,200
Retailer Fees and Miscellaneous	130,300	130,300
Gross Revenues	$661,987,500	$661,987,500
Expenditures		
Prizes	$401,993,900	$401,993,900
Retailer Compensation (SEG)	6,381,800	6,381,800
Retailer Compensation (GPR)	40,000,000	40,000,000
Vendor Fees	17,053,100	17,053,100
General Program Operations	19,867,300	19,867,300
Gaming Law Enforcement	433,600	434,100
Lottery Credit Administration	280,200	281,900
Program Reserves	105,500	232,300
Total Expenditures	$486,115,400	$486,244,400
Net SEG Proceeds	$215,872,100	$215,743,100
Interest Earnings	$2,246,800	$2,423,900
Gaming-Related Revenue	$21,000	$21,000
Total Available for Tax Relief *	$231,378,900	$231,427,800
Appropriations For Tax Relief		
Lottery and Gaming Credit	$217,827,600	$217,876,500
Late Lottery and Gaming Credit Applications	311,500	311,500
Total Appropriations for Tax Relief	$218,139,100	$218,188,000
Gross Closing Balance	$13,239,800	$13,239,800
Reserve (2% of Gross Revenues)	$13,239,800	$13,239,800
Net Closing Balance	$0	$0

*Opening balance, net proceeds, interest earnings, and gaming-related revenue.

Joint Finance: Modify the lottery fund condition statement and reestimate the lottery and gaming credit by $36,341,200 SEG in 2019-20 and $34,019,000 SEG in 2020-21 to reflect the following: (a) an estimated increase in the 2019-20 opening balance of $945,000 SEG based on projected sales for 2018-19; (b) an estimated increase in ticket sales of $29,999,600 SEG annually; (c) an estimated increase in prizes of $21,355,400 SEG annually; (d) an estimated increase in retailer compensation of $1,598,900 SEG annually; and (e) an estimated increase in vendor fees

of $772,900 SEG annually. In addition, reduce SEG expenditures for retailer compensation, vendor fees, and general program operations to reflect an increase in GPR funding for these purposes, as discussed in item #5 below.

	Projected 2019-20	Projected 2020-21
Fiscal Year Opening Balance	$14,184,000	$13,839,700
Operating Revenues		
Total Ticket Sales	$691,856,800	$691,856,800
Retailer Fees and Miscellaneous	130,300	130,300
Gross Revenues	$691,987,100	$691,987,100
Expenditures		
Prizes	$423,349,300	$423,349,300
Retailer Compensation (SEG)	0	0
Retailer Compensation (GPR)	47,980,700	47,980,700
Vendor Fees (SEG)	0	0
Vendor Fees (GPR)	17,826,000	17,826,000
General Program Operations (SEG)	15,474,000	17,274,000
General Program Operations (GPR)	4,393,300	2,593,300
Gaming Law Enforcement	433,600	434,100
Lottery Credit Administration	280,200	281,900
Program Reserves	105,500	232,300
Total Expenditures	$509,842,600	$509,971,600
Net SEG Proceeds	$252,344,500	$250,415,500
Interest Earnings	$1,770,500	$1,770,500
Gaming-Related Revenue	$21,000	$21,000
Total Available for Tax Relief *	$268,320,000	$266,046,700
Appropriations For Tax Relief		
Lottery and Gaming Credit	$254,168,800	$251,895,500
Late Lottery and Gaming Credit Applications	311,500	311,500
Total Appropriations for Tax Relief	$254,480,300	$252,207,000
Gross Closing Balance	$13,839,700	$13,839,700
Reserve (2% of Gross Revenues)	$13,839,700	$13,839,700
Net Closing Balance	$0	$0

*Opening balance, net SEG proceeds, interest earnings, and gaming-related revenue.

3. LOTTERY SUM SUFFICIENT ADJUSTMENTS [LFB Paper 630]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$8,109,200	$4,743,600	$12,852,800

Governor: Provide $4,054,600 annually to reestimate lottery sum sufficient appropriations for retailer compensation and vendor fees, as follows:

Retailer Compensation. Provide an increase of $2,954,400 annually to adjust base-level funding for retailer compensation, including payments to retailers under the retailer performance program, to reflect projected lottery sales in the 2019-21 biennium. Base-level funding for retailer compensation is $43,427,400 ($40,000,000 GPR and $3,427,400 SEG).

Basic retailer compensation rates under current law are 5.5% for lotto ticket sales and 6.25% for instant ticket sales. In addition, the retailer performance program provides an amount of up to 1% of for-profit sales as incentive payments to retailers (estimated at $6.4 million in 2019-20 and 2020-21 under the bill). The Department's lottery sales projections of $661.9 million in 2019-20 and 2020-21 result in the increases to retailer compensation funding.

Vendor Fees. Provide an increase of $1,100,200 annually to adjust base-level funding for vendor fees to reflect projected lottery sales in the 2019-21 biennium. Base-level funding for vendor fees is $15,952,900.

Vendor fees are paid under a major procurement contract for the provision of data processing services relating to both lotto and instant lottery games. The fees are calculated on the basis of a percentage of total ticket sales. Under the bill, vendor fees total 2.6 % of lottery ticket sales in both 2019-20 and 2020-21.

Joint Finance: Increase funding by $2,371,800 SEG annually to reestimate lottery sum sufficient appropriations for retailer compensation and vendor fees to adjust for the sales projection as follows:

Retailer Compensation. Provide an additional $1,598,900 SEG annually to adjust funding for retailer compensation.

Vendor Fees. Provide an additional $772,900 SEG annually to adjust funding for vendor fees.

Under item #5 below, these amounts would be converted from SEG funded to GPR funded.

4. MODIFY CONTRACT REQUIREMENTS FOR LOTTERY RETAILERS

Governor: Specify that a lottery retailer contract may be terminated or suspended if DOR finds that the retailer has violated statutory requirements "before or after" the contract was entered into. Under current law, the timing of disqualifying retailer actions is not specified.

Current law specifies that a lottery retailer contract may be terminated or suspended if DOR finds that the retailer has done any of the following: (a) violated this chapter or any rule promulgated under the state lottery statutes; (b) failed to meet the qualifications for being a retailer; (c) endangered the security of the lottery; (d) engaged in fraud, deceit, misrepresentation or other conduct prejudicial to public confidence in the lottery; (e) failed to account accurately for lottery tickets, revenues or prizes or lottery shares, as required by the department, or is delinquent in remitting lottery ticket or lottery share revenues; or (f) performed any action constituting a reason for termination or suspension as specified in the contract.

Joint Finance: Delete provision.

5. GPR FUNDING FOR LOTTERY OPERATIONS

GPR	$58,600,000
SEG	- 58,600,000
Total	$0

Joint Finance: Provide an additional $30,200,000 GPR in 2019-20 and $28,400,000 GPR in 2020-21 to support the Division of Lottery, for the purpose of increasing total GPR funding for the lottery to $70,200,000 in 2019-20 and $68,400,000 in 2020-21. Create two new annual GPR appropriations under the Division of Lottery for: (a) vendor fees ($17,826,000 annually); and (b) general program operations, excluding personnel and product information expenses ($4,393,300 in 2019-20 and $2,593,300 in 2020-21). Provide an additional $7,980,700 GPR annually in the existing retailer compensation appropriation. Reduce SEG appropriations for vendor fees, general program operations, and retailer compensation by these amounts and make a corresponding increase in the SEG lottery credit appropriation to reflect the higher amount available for property tax relief.

SAFETY AND PROFESSIONAL SERVICES

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
FED	$957,800	$1,179,700	$1,179,700	$0	0.0%	$221,900	23.2%
PR	109,554,600	116,237,000	117,372,700	1,135,700	1.0	7,818,100	7.1
TOTAL	$110,512,400	$117,416,700	$118,552,400	$1,135,700	1.0%	$8,040,000	7.3%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
FED	1.70	1.70	1.70	0.00	0.00
PR	234.44	254.44	235.44	- 19.00	1.00
TOTAL	236.14	256.14	237.14	- 19.00	1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
PR	- $1,791,200	- 5.00
FED	- 38,800	0.00
Total	- $1,830,000	- 5.00

Governor/Joint Finance: Reduce funding by $762,400 (-$743,000 PR and -$19,400 FED) in 2019-20 and $1,067,600 (-$1,048,200 PR and -$19,400 FED) in 2020-21 to reflect the following standard budget adjustments: (a) turnover reduction (-$328,000 PR annually); (b) removal of non-continuing elements from the base (-$339,400 PR and -5.0 PR positions in 2020-21); (c) full funding of continuing position salaries and fringe benefits (-$481,800 PR and -$19,400 FED annually); and (d) full funding of lease and directed moves costs ($66,800 PR in 2019-20 and $101,000 PR in 2020-21).

2. PROFESSIONAL AND TRADE REGULATION STAFF [LFB Paper 635]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$3,447,100	20.00	- $2,629,300	- 14.00	$817,700	6.00

Governor: Provide $1,477,300 in 2019-20 and $1,969,800 in 2020-21 and 20.0 positions, beginning in 2019-20, to investigate violations and decrease processing times for licenses. Of the total, provide funding and positions in professional regulation as follows: (a) $506,300 in 2019-20 and $675,000 in 2020-21 and 7.0 positions to support credential processing and complaint investigation; (b) $165,400 in 2019-20 and $220,600 in 2020-21 and 2.0 positions to provide oversight for the proprietary school program; and (c) $65,500 in 2019-20 and $87,400 in 2020-21 and 1.0 position to assist in preparing, administering and grading examinations for professional licensure.

The total also includes $740,100 in 2019-20 and $986,800 in 2020-21, with 10.0 positions in the Division of Industry Services. Program revenue for the Industry Services positions would be provided from the division operations appropriation, which receives revenues from building plan reviews and inspections for several building construction types, and from credentials issued to people who work in the building trades, such as dwelling contractors, electricians, and plumbers. The administration indicates the funding of 10.0 positions is based on adding 4.0 licensing and permit program associates, 2.0 section chiefs, 2.0 building systems consultants, and 2.0 attorneys. However, DSPS would have the flexibility to hire in other job classifications.

Joint Finance: Reduce funding by $1,126,900 in 2019-20 and by $1,502,400 in 2020-21 as follows.

Professional Regulation Staff. Delete the Governor's recommendations (-$737,200 in 2019-20 and -$983,000 in 2020-21 and -10.0 positions, beginning in 2019-20).

Instead, provide $89,800 in 2019-20 and $119,900 in 2020-21 to fund 2.0 additional positions for the Division of Professional Credential Processing, beginning in 2019-20. In addition, increase funding for the educational approval program by $92,400 annually and reduce funding for the professional regulation general program operations by corresponding amounts to reallocate the agency's turnover reduction.

Trade Regulation. Reduce funding in the bill by $479,500 in 2019-20 and $639,300 in 2020-21 and delete 6.0 positions of the 10.0 recommended. As a result, beginning in 2019-20, the bill would provide an additional $260,600 in 2019-20 and $347,500 in 2020-21 and 4.0 positions for trade regulation from Division of Industry Services program revenue, including 2.0 building systems consultants and 2.0 license and permit program associates.

3. INFORMATION TECHNOLOGY PROJECTS [LFB Paper 636]

PR	$5,025,000

Governor: Provide $2,995,000 in 2019-20 and $2,030,000 in 2020-21 to support

information technology improvement projects in the 2019-21 biennium. Total funding would include: (a) $2,500,000 in 2019-20 and $1,500,000 in 2020-21 in one-time funding to replace the trades credentialing system; and (b) $495,000 in 2019-20 and $530,000 in 2020-21 in ongoing funding for license and customer portal costs of the system.

The systems upgrades would follow other improvements DSPS began in the 2017-19 biennium. The Joint Committee on Finance in April, 2018, approved a DSPS request for $4.4 million in one-time funding during the 2017-19 biennium for these purposes. DSPS reports amounts under the bill would support the second of three phases of systems upgrades.

Joint Finance: Approve the Governor's recommendation, as modified to provide the recommended $495,000 in 2019-20 and $530,000 in 2020-21 as one-time funding instead of ongoing.

4. TRANSFER FROM INDUSTRY SERVICES PROGRAM REVENUE TO GENERAL FUND

GPR-REV	$5,000,000

Joint Finance: Transfer $5,000,000 in 2019-20 from the balance of the Division of Industry Services program revenue general operations appropriation to the general fund.

5. PRIVATE ONSITE WASTEWATER TREATMENT GRANT PROGRAM [LFB Paper 637]

PR	$185,000

Governor: Repeal the June 30, 2021, sunset of the private onsite wastewater treatment system (POWTS) grant program. Under 2017 Wisconsin Act 59, the program was repealed effective June 30, 2021, and applications for funding in 2020-21 would be due to DSPS before February 1, 2020. The program provides financial assistance to owners of a principal residence occupied at least 51% of the year by the owner, who must have household income equal to or less than $45,000, and to small commercial establishments meeting certain income and eligibility criteria. The program covers a portion of the cost of repairing or replacing a failing POWTS installed before July 1, 1978. A POWTS is a sewage treatment and disposal system serving a single structure with a septic tank and soil absorption field located on the same parcel as the structure. The bill would maintain base funding of $840,000 PR annually, from collections of sanitary permit fees, POWTS plan review fees, and fees received from other building permit, plan review, inspection, and credentialing activities. The bill would also maintain current eligibility requirements for owners and POWTS.

Joint Finance: Delete provision, which would maintain the June 30, 2021, sunset date of the program. In addition, provide $185,000 PR for POWTS grants in 2019-20, which would be expected to fully fund applications received for POWTS grants in 2019-20.

6. PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM REGULATION

Governor: Delay the date, from October 1, 2019, to October 1, 2024, by which counties are required to develop and begin to implement a maintenance program for private onsite wastewater

treatment systems (POWTS). Currently, and under the bill, the maintenance program is required to include an inventory of all POWTS located within the jurisdiction, and a process for recording each inspection, evaluation, maintenance and servicing report for a POWTS. A county is required to meet the maintenance program deadline in order to maintain eligibility for funding under the POWTS grant program. In October, 2018, 71 counties had a full or partial POWTS maintenance program (all required counties, which excludes Milwaukee County).

Specify that the county would not be eligible for funding under the POWTS grant program until the county completes the initial inventory. Current statutes require a county to complete the initial inventory before October 1, 2017, in order to be eligible for grant funding. DSPS determined that, as of October, 2017, 71 counties had completed their initial inventory, plus the City of Franklin and Oneida Tribe. Milwaukee County is not subject to this requirement.

Joint Finance: Delete provision.

7. FIRE DUES ESTIMATE [LFB Paper 639]

PR	$3,580,000

Joint Finance: Reestimate the fire dues distribution to local governments that maintain eligible fire departments by $1,550,000 in 2019-20 and $2,030,000 in 2020-21. Fire dues payments are estimated at $22,080,000 in 2019-20 and $22,560,000 in 2020-21.

8. PDMP -- REPORTING NALOXONE ADMINISTERED BY AMBULANCE SERVICES

FED	$238,800

Governor/Joint Finance: Provide $186,300 in 2019-20 and $52,500 in 2020-21 to enhance the data collection and extraction capabilities of the Wisconsin Ambulance Run Data System (WARDS). Currently, ambulance providers report data on their runs to the Department of Health Services through WARDS, but do not specifically report the Naloxone they administer in a way that is readily accessible for data analysis and further use. Consequently, this information is not entered into the prescription drug monitoring program (PDMP) database. DSPS would use this funding to create a data exchange between the WARDS and the PDMP so that Naloxone administered by ambulance providers would be entered into the PDMP database. Naloxone is a medication designed to rapidly reverse opioid overdose. DSPS intends to use federal grant funding the agency receives under the Harold Rogers prescription drug monitoring program administered by the U.S. Department of Justice to fund this item.

9. PDMP -- OPIOID NAÏVE ALERTS

FED	$21,900

Governor/Joint Finance: Provide $17,500 in 2019-20 and $4,400 in 2020-21 to create opioid naïve alerts for first-time opioid prescriptions as part of the prescription drug monitoring program (PDMP). Opioid naïve alerts would notify prescribers that a patient may never have been prescribed opioids before. The alert would be displayed when a health care provider accesses a patient's record in the PDMP. The alerts are intended to encourage the prescriber to explore other potential treatments, if necessary, instead of starting the patient on their first dose of opioids. This

item would fund one-time and ongoing costs of information systems changes to the PDMP, supported with federal funds DSPS receives under the Harold Rogers prescription drug program.

10. PDMP -- PROJECT POSITIONS [LFB Paper 638]

	Positions Governor (Chg. to Base)	Positions Jt. Finance (Chg. to Gov)	Positions Net Change
PR	5.00	- 5.00	0.00

Governor: Provide 5.0 project positions in 2020-21. In its agency request, DSPS requested 5.0 positions and $339,400 in 2020-21 to extend 5.0 project positions relating to the operation of the prescription drug monitoring program (PDMP). These positions are currently scheduled to terminate on June 30, 2020. The Executive Budget Book indicates the Governor's intent to deny funding and position authority for this item. However, the 5.0 positions are included in the state's budget system as if the position authority had been recommended by the Governor.

Joint Finance: Delete provision.

11. CHIROPRACTIC EXAMINATION APPROPRIATION

PR	$1,500

Governor/Joint Finance: Repeal an obsolete appropriation that DSPS previously used for developing and administering examinations individuals needed to pass in order to obtain a chiropractic license. Transfer the unencumbered balance in this appropriation to the DSPS general program operations for professional regulation and administrative services. Increase funding in this general program operations appropriation by $1,500 in 2019-20 to reflect this transfer.

2013 Act 20 repealed a requirement that chiropractic license applicants successfully complete an examination administered by the Chiropractic Examining Board, and replaced it with a requirement that applicants complete an examination administered by the National Board of Chiropractic Examiners.

12. REGULATION AND LICENSURE OF DENTAL THERAPISTS

Governor: Authorize individuals to practice dental therapy in Wisconsin by: (a) creating licensure requirements; (b) specifying conditions under which dental therapy can be practiced; (c) defining the scope of practice for dental therapists; and (d) providing new responsibilities to the Dentistry Examining Board relating to the regulation of dental therapists. Under current law, the Board licenses and regulates dentists and dental hygienists. The current statutes contain no references to the practice of dental therapy.

Initial Licensure Requirements. Require the Board to grant a license for dental therapy to an individual who satisfies the following criteria: (a) submits an application for the license to the Department; (b) pays the applicable license fee; (c) submits evidence satisfactory to the Board that

he or she has graduated from: (1) an accredited dental therapy program; or (2) a dental therapy education program that was not accredited or approved by a state dental licensing board, but was certified as a community health aide program dental therapy education under U.S. Indian Health Service Standards, or is otherwise approved by the Board as being substantially comparable to an accredited program; (d) submits evidence satisfactory to the Board that he or she has passed a national dental therapy examination and a dental therapy clinical examination administered by a regional testing service approved by the Board, or an alternative examination administered by another entity or testing service approved by the Board; (e) passes an examination administered by the Board on Wisconsin's statutes and rules relating to dental therapy; (f) demonstrates to the Board current proficiency in cardiopulmonary resuscitation (CPR), including the use of an automated external defibrillator achieved by an individual, organization, or institution of higher education to provide such instruction; (g) completes any other requirements established by the Board by rule that are comparable to, and no more restrictive than, the requirements established by the Board for dentists and dental hygienists.

Specify that the Board may grant a license to practice dental therapy to an individual who is licensed in another state if the applicant pays the applicable fees, meets any requirements for licensure established by the Board in rule, and demonstrates to the Board current proficiency in CPR, including the use of a defibrillator. Require the Board to consult with the Department of Health Services to determine whether an individual, organization, or institution of higher education is qualified to provide this instruction.

Continuing Education Requirements. Provide that, in order to be eligible for renewal of a license, a dental therapist must complete 12 credit hours of continuing education relating to the practice of dental therapy that is sponsored or recognized by a local, state, regional, national, or international dental, dental therapy, dental hygiene, dental assisting, or medical-related professional organization.

Specify that continuing education may include training in all of the following: (a) not more than two hours of basic life support or CPR; and (b) not less than two hours of infection control. Specify that these credit hours may be satisfied by independent study, correspondence, or online courses. Specify that a person may substitute credit hours of college level courses related to dental therapy for the credit hour requirements, and that one credit hour of a college level course is equivalent to six hours of continuing education. Provide that one hour of teaching or preparing a continuing education program is equivalent to one hour of continuing education, but a person preparing a program my obtain credit for that program only once. Authorize the Board to require applicants for a renewal of a license to practice dental therapy to submit proof of compliance with these requirements.

Collaborative Management Agreements. Specify that, prior to providing any dental therapy services, a dental therapist must enter into a written collaborative management agreement with a qualifying dentist who would serve as the supervising dentist. The agreement must address all of the following: (a) the practice settings where services may be provided and the patient populations that may be served; (b) any conditions or limitations on the services that may be provided by the dental therapist, the level of supervision required, and any circumstances requiring consultation prior to performing services; (c) age-specific and procedure-specific practice protocols; (d) dental

record-keeping procedures; (e) plans for managing dental or medical emergencies; (f) a quality assurance plan for monitoring care provided by the dental therapist; (g) protocols for administering and dispensing medications; (h) criteria or protocols relating to the provision of care to patients with specific medical conditions, treatments, or medications; (i) policies relating to supervision of dental hygienists and other staff; (j) a plan for the referral of patients to other dental or health care professionals or clinics when services needed are beyond the scope of practice or authorization of the dental therapist; (k) whether and to what extent the dental therapist may perform nonsurgical extractions, as defined in the bill.

Provide that each collaborative management agreement must be limited to covering one qualifying dentist and one dental therapist. Provide that a dental therapist may enter into multiple collaborative management agreements, but that no dentist may have collaborative management agreements with more than five dental therapists at any time.

Scope of Practice. Specify that the scope of practice of a dental therapist would be limited to providing the following services: (a) oral evaluation and assessment of dental disease and formulation of an individualized treatment plan; (b) identification of oral and systemic conditions requiring evaluation or treatment by dentists, physicians, or other health care providers and managing referrals; (c) comprehensive charting of the oral cavity; (d) oral health instruction and disease prevention education, including nutritional counseling and dietary analysis; (e) exposure and evaluation of radiographic images; (f) dental prophylaxis, including subgingival scaling and polishing procedures; (g) dispensing and administration via the oral or topical route of nonnarcotic analgesic, anti-inflammatory, and antibiotic medications as prescribed by a licensed health care provider; (h) application of topical preventive or prophylactic agents, including fluoride varnish, antimicrobial agents, caries arresting medicaments, and pit and fissure sealants; (i) pulp vitality testing; (j) application of desensitizing medications or resins; (k) fabrication of athletic mouth guards and soft occlusal guards; (l) changing of periodontal dressing; (m) administration of local anesthetic and nitrous oxide; (n) simple extraction of erupted primary teeth; (o) nonsurgical extraction of periodontally diseased permanent teeth with tooth mobility of +3 to +4 to the extent authorized in the dental therapist's collaborative management agreement, except that “dental therapy” does not include the extraction of a tooth that is unerupted, impacted, or fractured or that needs to be sectioned for removal; (p) emergency palliative treatment of dental pain; (q) preparation and placement of direct restoration in primary and permanent teeth; (r) fabrication and placement of single-tooth temporary crowns; (s) preparation and placement of preformed crowns on primary teeth; (t) indirect and direct pulp capping on permanent teeth; (u) indirect pulp capping on primary teeth; (v) intraoral suture placement and removal; (w) minor adjustment and repair of removable prostheses; (x) placement and removal of space maintainers; (y) pulpotomy on primary teeth; (z) tooth reimplantation and stabilization; (aa) recementing of a permanent crown; and (ab) any additional services, treatments, or procedures specified in the rules promulgated by the Board.

Specify that a dental therapist may provide services only under the general supervision of a dentist with whom the dental therapist has entered into a collaborative management agreement. Specify that "general supervision of a dental therapist by a dentist" requires that a task or procedure be performed by a dental therapist with the prior knowledge and consent of the dentist, but does not require the presence of the dentist in the office or on the premises at the time a task or procedure is being performed by the dental therapist and does not require prior examination or diagnosis of

a patient by the dentist before the dental therapist provides dental therapy services to the patient.

Specify that a supervising dentist must accept responsibility for all services performed by a dental therapist pursuant to a collaborative management agreement and that if services needed by a patient are beyond the dental therapist's scope of practice or authorization under the collaborative management agreement, the dental therapist must consult with the supervising dentist as needed to arrange for those services to be provided by a dentist or another qualified health care professional.

Composition of the Dentistry Examining Board. Specify that, effective when the first individual becomes licensed as a dental therapist in the state, two dental therapists must be added to the Dentistry Examining Board.

Rulemaking. Require the Board to present a statement of scope for permanent and emergency rules required to implement the licensure of dental therapists no later than the 30th day after the bill's general effective date. Provide that if the Governor does not disapprove the statement of scope by the 30th day after the statement is presented to the Department of Administration, the statement would be considered approved by the Governor.

Require the Board to promulgate emergency rules that are necessary to implement these provisions, which would remain in effect for two years, or until the date on which permanent rules take effect, whichever is sooner. Require the Board to submit a proposed emergency rules no later than the 150th day after the bill's general effective date, and specify that if the Governor does not reject the proposed emergency rule by the 14th day after the rule is submitted to the Governor in final draft form, the emergency rule would be considered approved by the Governor.

Require the Board to submit a proposed permanent rule required to implement these provisions no later than 365 days after the effective date of the bill. Provide that if the Governor does not reject the proposed permanent rule by the 30th day after the rule is submitted to the Governor in final draft form, the permanent rule would be considered to be approved by the Governor.

Other Provisions. Modify various statutory provisions relating to healthcare provider rights and responsibilities that apply to dentists to also apply to dental therapists, including: (a) specifying that dental therapists are eligible for the health care provider loan assistance program; (b) expanding the definition of "health care provider" for the purposes of the health care records law to include dental therapists; (c) expanding the definition of "volunteer health care provider" for the purposes of the volunteer health care provider program to include dental therapists, and specify that a dental therapist may provide dental services under this program; (d) expanding the definition of "health care provider" for the purposes of the health care worker protection program enforced by the Department of Workforce Development to include dental therapists; (e) expanding the definition of "health care provider" for the purposes of power of attorney for health care to include dental therapists; (f) specifying that the statutes prohibiting discrimination on the basis of HIV status apply to dental therapists; (g) expanding the definition of "health care provider" for the purposes of the emergency volunteer health care practitioner law to include dental therapists; (h) modifying the statutes relating to insurance coverage to specify that no policy, plan or contract may exclude coverage for diagnosis and treatment of a condition or complaint by a licensed dental

therapist within the scope of the dental therapist's license, if the policy, plan or contract covers diagnosis and treatment of the condition or complaint by another health care provider; (i) modifying the civil liability exemption for emergency medical care to cover health care rendered by dental therapists; and (j) modifying the criminal statute relating to possession, distribution, or delivery of nitrous oxide to specify that nitrous oxide may be administered by a dental therapist for the purpose of providing dental care.

Joint Finance: Delete provision.

13. MINOR TRANSFERS BETWEEN APPROPRIATIONS

Governor/Joint Finance: Transfer $2,700 FED annually from the professional regulation and administrative services appropriation for indirect cost reimbursement to general federal operations. Transfer $18,000 PR annually from the industry services appropriation for gifts and grants to general operations.

SECRETARY OF STATE

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$543,800	$670,700	$553,000	- $117,700	- 17.5%	$9,200	1.7%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
PR	2.00	3.00	2.00	- 1.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$9,200

Governor/Joint Finance: Provide an adjustment of $4,600 annually to the Secretary of State's (SOS) program fees appropriation for full funding of continuing position salaries and fringe benefits ($4,600 for fringe benefits annually).

2. ADDITIONAL RESOURCES FOR THE OFFICE

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
PR	$117,700	1.00	- $117,700	- 1.00	$0	0.00
GPR-REV	- $122,900		$122,900		$0	

Governor: Provide $65,200 in 2019-20 and $52,500 in 2020-21 and 1.00 FTE position annually to the SOS's program fees appropriation. The increased expenditure authority reflects increased funding for salary, fringe, and supplies and services, offset partially by reduced LTE

funding, for a new Record and Forms Management Specialist position for the Office, as well as one-time financing necessary to move the office to a new location to accommodate the additional position. The administration states that the new location for the office has not been determined.

The administration indicates that the new position would restore the records management and office assistant functions associated with the Office Operations Associate position that was removed from the SOS in the 2015-17 budget. Primary functions of the position would include: (a) oversight of programs related to apostilles and other authentications; (b) management and review of records and publication activities; and (c) assisting customers with locating documents.

Joint Finance: Delete provision. Under current law, at the close of each fiscal year, any balance of revenues in the SOS's program fees appropriation that exceeds 10% of that year's expenditures lapses to the general fund. Deletion of this provision would increase the estimated amounts transferred to the general fund under the bill by $71,700 in 2019-20 and by $51,200 in 2020-21.

SHARED REVENUE AND TAX RELIEF

Budget Summary by Funding Source

	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
Direct Aid Payments							
Expenditure Restraint	$118,623,400	$118,623,400	$118,623,400	$0	0.0%	$0	0.0%
County and Municipal Aid	1,395,976,800	1,411,371,300	1,396,434,000	-14,937,300	-1.1	457,200	< 0.1
Public Utility Distribution	149,061,200	152,360,500	156,300,000	3,939,500	2.6	7,238,800	4.9
State Aid; Tax Exempt Property	191,304,800	195,934,200	195,934,200	0	0.0	4,629,400	2.4
State Aid; Personal Property Tax Exemption	148,800,000	150,708,400	150,708,400	0	0.0	1,908,400	1.3
State Aid; Video Service Provider Fee	0	0	5,000,000	5,000,000	N.A.	5,000,000	N.A.
Interest Payments on Overassessments of Manufacturing Property	20,000	20,000	20,000	0	0.0	0	0.0
Payments for Municipal Services	37,168,400	37,168,400	37,168,400	0	0.0	0	0.0
Property Tax Credits							
Homestead Tax Credit	169,800,000	195,200,000	141,700,000	-53,500,000	-27.4	-28,100,000	-16.5
Pre-2010 Farmland Preservation Credit	760,000	600,000	700,000	100,000	16.7	-60,000	-7.9
Farmland Preservation Per-Acre Credit	35,600,000	30,800,000	34,800,000	4,000,000	13.0	-800,000	-2.2
School Levy Tax Credit	1,880,000,000	1,880,000,000	1,880,000,000	0	0.0	0	0.0
First Dollar Credit	300,000,000	300,000,000	298,537,300	-1,462,700	-0.5	-1,462,700	-0.5
Other Credits							
Claim of Right Credit	326,000	264,000	264,000	0	0.0	-62,000	-19.0
Jobs Tax Credit	24,200,000	7,900,000	7,900,000	0	0.0	-16,300,000	-67.4
Business Development Credit	32,200,000	36,500,000	38,800,000	2,300,000	6.3	6,600,000	20.5
Enterprise Zone Jobs Credit	136,600,000	115,000,000	146,000,000	31,000,000	27.0	9,400,000	6.9
EITM zone credit	0	211,954,900	211,954,900	0	0.0	211,954,900	N.A.
Veterans and Surviving Spouses Property Tax Credit	60,860,000	68,900,000	68,900,000	0	0.0	8,040,000	13.2
Cigarette and Tobacco Products Tax Refunds	67,992,000	66,760,000	63,900,000	-2,860,000	-4.3	-4,092,000	-6.0
Earned Income Tax Credit	61,800,000	80,100,000	53,700,000	-26,400,000	-33.0	-8,100,000	-13.1
Research Credit	4,200,000	18,750,000	16,500,000	-2,250,000	-12.0	12,300,000	292.9
Forestry Mill Rate							
Forestry Mill Rate -- GPR Transfer to Conservation Fund	183,288,000	199,489,500	199,489,500	0	0.0	16,201,500	8.8
GPR Total	$4,998,580,600	$5,278,404,600	$5,223,334,100	-$55,070,500	-1.0%	$224,753,500	4.5%
Other Credits							
Earned Income Tax Credit; Temporary Assistance for Needy Families	$139,400,000	$172,400,000	$139,400,000	-$33,000,000	-19.1%	$0	0.0%
PR Total	$139,400,000	$172,400,000	$139,400,000	-$33,000,000	-19.1	$0	0.0
Direct Aid Payments							
County and Municipal Aid; Police and Fire Protection Fund	$92,174,800	$91,841,600	$91,717,400	-$124,200	-0.1%	-$457,400	- 0.5%
Property Tax Credits							
Lottery and Gaming Credit	410,720,600	435,704,100	506,064,300	70,360,200	16.1	95,343,700	23.2
Lottery and Gaming Credit; Late Applications	515,200	623,000	623,000	0	0.0	107,800	20.9
SEG Total	$503,410,600	$528,168,700	$598,404,700	$70,236,000	13.3%	$94,994,100	18.9%
TOTAL	$5,641,391,200	$5,978,973,300	$5,961,138,800	-$17,834,500	-0.3%	$319,747,600	5.7%

Direct Aid Payments

Budget Change Items

1. COUNTY AND MUNICIPAL AID INCREASE [LFB Paper 650]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$15,061,500	- $15,061,500	$0

Governor: Increase payments under the county and municipal aid program by $15,061,500 in 2020-21 to provide each county and municipality a 2% increase in their payment for 2020 and thereafter. Under current law, a county or municipality receives a county and municipal aid payment equal to what it received in 2012.

County and municipal aid is primarily funded from a sum-sufficient GPR appropriation, but the amounts are partially offset by revenues from the police and fire protection fund ($45,920,800 annually). Set the statutory aid distribution from these sources at $763,137,200 for the 2020 distribution (payable 2020-21) and thereafter to reflect the recommended 2% increase. The GPR and SEG county and municipal aid appropriations underfund this statutory aid distribution amount by $4,000,000 annually to reflect the reduced county and municipal aid distribution to Milwaukee County by $4,000,000 for the Bucks Arena each year from 2016 through 2035. This reduction is intended to offset a portion of the state's contribution to the Wisconsin Center District toward construction of the new sports and entertainment arena in Milwaukee.

County and municipal aid is paid in July and November of each year. Therefore, local governments will receive calendar year 2020 payments in 2020-21. Modify the statutes to reflect that prior year aid amounts would no longer apply for 2020 and thereafter.

Joint Finance: Delete provision.

2. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION REVENUE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$333,000	$124,200	$457,200
SEG	- 333,200	- 124,200	- 457,400
Total	- $200	$0	- $200

Governor: Increase funding by $166,500 GPR annually and decrease funding by $166,600

SEG annually in the appropriations for the county and municipal aid program. The SEG adjustment reflects the estimated reductions in revenue collected in the police and fire protection fund, which is the source for a portion of county and municipal aid program payments. Revenues deposited to the police and fire protection fund are from a fee imposed on each active retail voice communications service connection with an assigned telephone number at a rate of $0.75 per month. Payments from the police and fire protection fund would be estimated at $45,920,800 annually. The GPR increases reflect a corresponding adjustment to the sum sufficient appropriation to offset the police and fire protection fund (SEG) revenue reestimate. With these adjustments, total GPR payments for the county and municipal aid program would be $698,154,900 in 2019-20 and $713,216,400 in 2020-21, with the second year of the biennium reflecting a 2% increase in county and municipal aid as provided under the bill.

Joint Finance: Increase funding by $60,400 GPR in 2019-20 and $63,800 GPR in 2020-21, and decrease funding by $60,400 SEG in 2019-20 and $63,800 SEG in 2020-21 in the appropriations for the county and municipal aid program, associated with funding a position in the Department of Military Affairs from the police and fire protection fund (SEG). [See "Military Affairs"] The GPR increase reflects a corresponding adjustment to the sum sufficient appropriation to offset the police and fire protection fund funding decrease.

3. ADDITIONAL COUNTY AND MUNICIPAL AID REDUCTION FOR MILWAUKEE COUNTY FOR CHILD WELFARE SERVICES

GPR-Lapse	- $6,824,500

Joint Finance: Reduce county and municipal aid payments to Milwaukee County by $6,824,500 in 2020 and thereafter associated with additional child welfare services provided by the Department of Children and Families Division of Milwaukee Child Protective Services (DMCPS). Under current law, Milwaukee County contributes each year for the provision of child welfare services provided by DMCPS, through a $20,101,300 reduction of county and municipal aid payments to the county. A separate provision in the bill (see "Children and Families -- Child Welfare Services") would provide an additional $6,824,500 in state funding for Milwaukee County Child Welfare services, which would result in a corresponding decrease in Milwaukee County's county and municipal aid. Estimate a $6,824,500 GPR-lapse in 2020-21 associated with this provision.

4. PUBLIC UTILITY AID -- SUM SUFFICIENT REESTIMATE [LFB Paper 651]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,299,300	$3,939,500	$7,238,800

Governor: Increase estimated payments by $1,270,600 in 2019-20 and $2,028,700 in 2020-21 in the sum sufficient public utility aid distribution account to reflect estimated payment amounts. With these adjustments, base level funding of $74,530,600 would increase to $75,801,200 in 2019-20 and $76,559,300 in 2020-21. The public utility aid distribution account is

used to make aid payments to counties and municipalities containing certain types of public utility property that are exempt from local property taxation.

Joint Finance: Increase estimated payments by $1,198,800 in 2019-20 and $2,740,700 in 2020-21. Total aid payments are estimated at $77,000,000 in 2019-20 and $79,300,000 in 2020-21.

5. STATE AID FOR TAX EXEMPT COMPUTERS, CASH REGISTERS, AND FAX MACHINES

GPR	$4,629,400

Governor/Joint Finance: Increase funding by $2,314,700 annually to reflect increased payments due to the indexing of 2018-19 payments to the annual change in the U.S. consumer price index for all urban consumers, for the 12-months ending on September 30, 2018. With these adjustments, base level funding of $95,652,400 would increase to $97,967,100 annually. The appropriation is used to make aid payments to local governments containing computers, cash registers, and fax machines that are exempt from property taxation. Under 2017 Act 59, payments to taxing jurisdictions will remain at the 2019-20 level for each year thereafter with only those entities receiving a payment in 2018-19 continuing to receive a payment.

6. STATE AID FOR EXEMPT PERSONAL PROPERTY

GPR	$1,908,400

Governor/Joint Finance: Increase funding by $954,200 annually to reflect estimated payments, which are based on taxes levied by each local taxing jurisdiction on exempt property categorized as machinery, tools, and patterns not used for manufacturing for tax year 2017(18). With these adjustments, base level funding of $74,400,000 would increase to $75,354,200 in both years of the biennium. The appropriation is used to make aid payments to local governments for exempt personal property classified as non-manufacturing machinery, tools, and patterns. Under 2017 Act 59, payments to taxing jurisdictions will remain at the 2018-19 level for each year thereafter with only those entities receiving a payment in 2018-19 continuing to receive a payment.

7. VOLKSWAGEN SETTLEMENT GRANTS -- REQUIRED COUNTY AND MUNICIPAL AID REDUCTIONS FOR MILWAUKEE COUNTY AND MADISON [LFB Paper 505]

GPR-Lapse	- $800,000

Governor: Modify the current law reduction in county and municipal aid payments, from 75% to 20% of the grant award, that is required for each county or municipality that receives a Volkswagen transit capital assistance grant for an urban mass transit system serving a population exceeding 200,000 (Milwaukee County and Madison). A complete summary of the modifications the bill provides to Volkswagen settlement grants is included under a separate item (see "Miscellaneous Appropriations").

Under current law, any county or municipality with an urban mass transit system that receives a transit capital assistance grant will receive a reduction to its county and municipal aid payment in the following amounts, over 10 consecutive years: (a) for a Tier A-1 or Tier A-2 urban mass transit system serving a population exceeding 200,000, 75% of the total amount of grants

received; (b) for a Tier B urban mass transit system serving a population of at least 50,000, 20% of the total amount of grants received; and (c) for a Tier C urban mass transit system serving a population of less than 50,000, 10% of the total amount of grants received. Under current law, county and municipal aid payments are made on the fourth Monday in July (15% of total) and the third Monday in November (85% of total). According to DOA, county and municipal aid reductions will commence in the state fiscal year following the year the first grant payment is made to a local government. For example, if a municipality receives a grant payment in 2019-20, the first annual aid payment reduction to occur would be to aid payments made for calendar year 2020 aid and paid in 2020-21 (for July, 2020 and November, 2020 aid payments). Contractual agreements between the state and transit agency awardees are currently being negotiated. As a result, no estimated lapse amounts associated with the required reductions in county and municipal aid payments to grant awardees are included in the bill.

Under this provision, if Milwaukee County or Madison receive a transit capital assistance grant payment, this provision would decrease the amount of the county and municipal aid reduction incurred by that municipality over the succeeding 10 years. Therefore, any GPR amount associated with transit capital grants to these two municipalities that would be required to lapse from the county and municipal aid program to the general fund would be reduced over 10 years as compared to current law. No change in GPR lapse amounts associated with this provision is included in the bill.

Joint Finance: Delete provision. Retain current law provisions specifying a reduction in county and municipal aid payments to a municipality that receives a transit capital assistance grant as a percentage of the total amount of grants received. An estimated $800,000 GPR would lapse to the general fund in 2020-21 which is associated with the required current law reductions in county and municipal aid payments from awardees for transit capital grants paid in 2019-20. A complete summary of other modifications to the Volkswagen settlement grant program is included under a separate item (see "Miscellaneous Appropriations").

8. EXPENDITURE RESTRAINT PROGRAM -- DEFINITION OF MUNICIPAL BUDGET [LFB Paper 665]

Governor: Specify that for the purposes of determining eligibility for an expenditure restraint payment, the definition of "municipal budget" would not include amounts levied above a municipality's allowable levy for charges shared among political subdivisions operating a joint emergency dispatch center. Other provisions in the bill would exclude amounts levied for joint emergency dispatch centers from the participating political subdivisions' levy limits (see "Property Taxation").

Under current law, a municipality must satisfy two eligibility criteria to receive an expenditure restraint payment: (a) a municipality must have a full value property tax rate that exceeds five mills; and (b) a municipality must restrict the rate of year-to-year growth in its municipal budget to a percentage determined by a statutory formula. For the purpose of determining eligibility for an expenditure restraint payment, this provision would exclude from a municipality's budget the amount that a municipality would be allowed to adjust its allowable levy

for charges it shares with other political subdivisions in the operation of a joint emergency dispatch center.

Joint Finance: Delete provision.

9. MUNICIPAL VIDEO SERVICE PROVIDER FEE REDUCTION AND AID PAYMENT

GPR	$5,000,000

Joint Finance: Provide $5,000,000 GPR in 2020-21 associated with a requirement that municipalities reduce the fee percentage that each municipality can assess on its video service provider's gross receipts, beginning in 2020. Specify that this percentage, which cannot exceed 5.0% under current law, must equal the percentage applied on December 31, 2018, less 0.5%, effective January 1, 2020, and less 1.0%, effective January 1, 2021. Create a state aid payment to be administered by DOR to make payments to municipalities to compensate each municipality for the reduction in fee revenues. For aid payments distributed in 2020, specify that each municipality's payment would equal 0.5% of the reported gross receipts on which the fee revenues were received in 2018. Beginning with aid payments distributed in 2021, and each year thereafter, specify that each municipality's aid payment would equal 1.0% of the reported gross receipts on which the fee revenues were received in 2019. Aid payments would be made annually for 10 years, with final payments being distributed in 2029. Aid payments are estimated to be $5,000,000 in 2020-21 and $10,000,000 annually in 2021-22 through 2029-30.

Require municipalities to do the following: (a) report to DOR by August 15, 2019, 2018 actual video service provider fee revenues and the provider's estimated gross receipts on which the fee revenues are based; (b) by August 15, 2020, 2019 actual video service provider fee revenues and the provider's estimated gross receipts on which the fee revenues are based; (c) specifically report to DOR the actual annual revenues received from the video service provider fee each year, beginning in 2021, as part of the municipal financial report filed each year with DOR; and (d) report any other information DOR considers necessary to administer the aid payment in the time and manner determined by DOR. Require DOR to notify each municipality that will receive an aid payment each year the amount of that payment by October 1 of each year.

Property Tax Credits

1. ELIMINATION OF SCHOOL LEVY TAX CREDIT AND FIRST DOLLAR TAX CREDIT FOR PROPERTY TAX YEAR 2020(21)

Governor: Eliminate the school levy tax credit and the first dollar tax credit beginning in 2021-22 (property tax year 2020(21)). Maintain current funding levels for the school levy tax credit and the first dollar tax credit for both years of the 2019-21 biennium. The school levy tax credit is currently funded at $940,000,000 GPR annually and the first dollar tax credit is currently funded at $150,000,000 GPR annually. These credits are paid on the fourth Monday in July of each year for the taxes levied in December of the previous calendar year.

Under other provisions in the bill, the $1,090,000,000 GPR of funding for these credits for property tax year 2020(21) would be used to fund an increase in general school aids. Although the distributions of these credits are based in part on the school district levies within each municipality, these credits are used to reduce property taxpayers' gross property tax bills after the school district levy is established. By providing this funding instead as general school aids, the Governor's recommendations would have the effect of reducing gross school levies statewide. However, because the distribution of these tax credits is different from the distribution of school aid funding under the general school aids formula, this provision would have varying distributional effects on taxpayers' property tax bills statewide. Additional information on this provision, as it relates to the Department of Public Instruction, is included under a separate item (see "Public Instruction -- General School Aids and Revenue Limits").

Joint Finance: Delete provision.

2. FARMLAND PRESERVATION CREDIT REESTIMATE [LFB Paper 660]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $4,960,000	$4,100,000	- $860,000

Governor: Decrease funding by $2,430,000 in 2019-20 and $2,530,000 in 2020-21 to reestimate the sum-sufficient appropriations for the farmland preservation tax credit, which applies to certain lands in farmland preservation zoning districts and under farmland preservation agreements.

Joint Finance: Provide an additional $1,850,000 GPR in 2019-20 and $2,250,000 in 2020-21 to reestimate the sum-sufficient appropriations for the farmland preservation tax credit. With these reestimates, the estimated farmland preservation tax credits would be $17,600,000 in 2019-20 and $17,900,000 in 2020-21.

3. LOTTERY AND GAMING CREDIT REESTIMATE [LFB Paper 630]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$24,983,500	$70,360,200	$95,343,700

Governor: Increase funding by $12,467,300 in 2019-20 and $12,516,200 in 2020-21 to the sum sufficient appropriation to reflect estimates of lottery proceeds available for property tax credit distribution. With these adjustments, estimated total funding for the credit would increase from an adjusted base level of $205,360,300 to $217,827,600 in 2019-20 and $217,876,500. The estimated cost of the credit for 2018-19 is $236 million.

Joint Finance: Increase funding for the credit by $36,341,200 SEG in 2019-20 and by

$34,019,000 SEG in 2020-21. These adjustments reflect: (a) increases of $6,141,200 in 2019-20 and $5,619,000 in 2020-21 due to a reestimate of the lottery fund condition statement; and (b) an increase of $30,200,000 GPR in 2019-20 and $28,400,000 GPR in 2020-21 to reflect the Committee's decision to partially fund non-personnel lottery costs (See "Revenue -- Lottery Administration" for the fiscal effect of these funding changes.) With these increases, funding for the credit would equal an estimated $254,168,800 SEG in 2019-20 and $251,895,500 SEG in 2020-21.

4. LOTTERY AND GAMING CREDIT; LATE APPLICATIONS

SEG	$107,800

Governor/Joint Finance: Increase funding by $53,900 annually to the sum sufficient appropriation to reflect estimates of the amounts of credits to be paid to persons who apply for the credit after tax bills have been issued. As a result, funding for tax credit distributions for late applications would increase from an adjusted base level of $257,600 to $311,500 annually.

5. FIRST DOLLAR CREDIT REESTIMATE [LFB Paper 661]

GPR	- $1,462,700

Joint Finance: Decrease funding by $1,462,700 in 2019-20 to reflect the $148,537,300 actual amount of property tax year 2018(19) credits to be distributed in July, 2019, based on the $7,000 credit base established by the Department of Revenue and the number of eligible parcels on which the credit will be claimed. Funding for the credit in 2020-21 would remain at the base level of $150,000,000.

Property Taxation

1. LEVY LIMITS -- 2% MINIMUM INCREASE

Governor: Increase the minimum allowable percentage change that counties and municipalities may increase their allowable levies by from 0% to 2%. Current law prohibits counties and municipalities from increasing their levies by a percentage that exceeds their valuation factor. The "valuation factor" is currently defined as a percentage equal to the greater of either the percentage change in a county or municipality's January 1 equalized value due to new construction, less improvements removed between the previous year and current year ("net new construction") or 0%. This valuation factor is then multiplied by each county's and municipality's actual prior year levy to obtain their allowable levy for the current year prior to any allowable exclusions or adjustments. Under this provision, the definition of "valuation factor" would be changed so that the minimum allowable percentage change to county and municipal levies is 2% rather than 0%. As a result, this modification would allow counties and municipalities to increase their annual levies over their prior year actual levies by the greater of the percentage change in equalized values due to net new construction or 2%.

For tax year 2017(18), the statewide average change in levies due to the change in equalized

value from net new construction was 1.3% for towns, 1.8% for villages and cities, and 1.5% for counties. For 2017(18), 120 towns, 80 villages, 39 cities, and six counties had a change in their levy above 2% due to the change in equalized value from net new construction.

Joint Finance: Delete provision.

2. LEVY LIMITS -- REPEAL OF NEGATIVE ADJUSTMENT FOR FEES FROM COVERED SERVICES [LFB Paper 665]

Governor: Repeal the negative levy limit adjustment for fees from covered services. Current law requires counties and municipalities to reduce their allowable levies by an amount equal to the estimated fee revenues received in lieu of property taxes for providing a covered service that was funded with the property tax levy in 2013. A "covered service" is defined to mean garbage collection, fire protection, snow plowing, street sweeping, or storm water management, although some specific exceptions exist (garbage collection for any county or municipality that owned and operated a landfill on January 1, 2013, and fire protection services, including the production, storage, transmission, sale and delivery, or furnishing of water for public fire protection services). Under this provision, counties and municipalities that receive new or additional fees from covered services each year that were previously funded from their levy, would no longer be required to reduce their allowable levies by the estimated annual fee revenues.

Joint Finance: Delete the Governor's recommendation to repeal the negative levy limit adjustment for fees for all covered services that are subject to a negative levy limit adjustment. Instead, remove only "storm water management" from the current law definition of "covered service," which was one of the five covered services removed by the Governor. Under this provision, counties and municipalities will no longer be required to reduce their allowable levies by the estimated amount of fee revenues received from storm water management services. This provision would maintain the current law negative levy limit adjustment for all other covered services (garbage collection, fire protection, snow plowing, and street sweeping).

3. LEVY LIMITS -- EXCLUSION FOR CROSS-BORDER TRANSIT ROUTES [LFB Paper 665]

Governor: Create an exclusion to county and municipal levy limits for amounts levied in a year for operating and capital costs directly related to the provision of new or enhanced transit services across adjacent county or municipal borders. As a result, these costs would not be subject to the levy limit of the affected local governments.

Specify that all of the following would have to apply for the exclusion to be taken: (a) the starting date for the new or enhanced transit services occurs after the effective date of the bill; (b) the political subdivisions between which the new or enhanced transit routes operate have entered into an intergovernmental cooperation agreement to provide for the new or enhanced transit services and the agreement describes the services and the amounts that must be levied to pay for those services; and (c) the intergovernmental cooperation agreement is approved in a referendum, by the electors of each political subdivision that is a party to the agreement. Specify that the referendum be held at the next succeeding spring primary or election or partisan election which

could be held no earlier than 70 days after the adoption of the agreement by all parties. Require the governing body that has proposed the referendum to file the resolution to be submitted to the electors under current law referenda filing procedures.

Joint Finance: Delete provision.

4. LEVY LIMITS -- EXCLUSION FOR JOINT EMERGENCY DISPATCH CENTERS AND JOINT FIRE DEPARTMENTS [LFB Paper 665]

Governor: Exclude the amounts levied above a political subdivision's allowable levy for charges shared among two or more political subdivisions in the operation of a joint emergency dispatch center. Specify that the amount of a political subdivision's levy that is used to pay for charges assessed by a joint emergency dispatch center, which causes that political subdivision to exceed its allowable levy in that year, would not be subject to the annual levy limit of the affected local governments. Define "joint emergency dispatch center" to mean an operation that serves as the dispatch center for two or more political subdivisions' law enforcement, fire, emergency medical services, or any other emergency services.

Provide that this exclusion would only be allowed if the following apply: (a) the total percentage increase in charges assessed by the joint emergency dispatch center for the current year, relative to the amounts charged for the previous year, is less than or equal to 1% plus the percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor, for the 12 months ending on September 30 of the year of the levy; and (b) the governing body of each political subdivision that is served by the joint emergency dispatch center adopts a resolution in favor of exceeding the levy limit to pay for additional fees charged by the joint emergency dispatch center.

Under the current law exclusion for charges assessed by joint fire departments, reduce the permitted annual increase of total charges assessed by a joint fire department for the purpose of calculating an allowable levy to be less than or equal to 1% (rather than 2%) plus the annual percentage change in the consumer price index. Under current law, amounts levied for charges assessed by a joint fire department are excluded from the base levy from which the succeeding year's allowable levy is calculated, if the following apply: (a) the governing bodies of each municipality served by the joint fire department adopt resolutions supporting the municipality exceeding its limit; and (b) the total charges assessed by the joint fire department increase on a year-to-year basis by a percentage less than or equal to 2% plus the percentage change in the consumer price index.

Joint Finance: Delete provision.

5. DARK PROPERTY AND LEASED PROPERTY TAX ASSESSMENTS ("DARK STORES")

Governor: Require that real property be valued by an assessor at its highest and best use. Define "highest and best use" to mean: (a) the specific use of the property as of the current assessment date; or (b) a higher use to which the property can be expected to be put before the next

assessment date, if the use is legally permissible, physically possible, not highly speculative, and financially feasible and provides the highest net return. Specify that "legally permissible" would not include a conditional use that has not been granted as of the assessment date. Further specify that when the current use of a property is the highest and best use of that property, the value in the current use would equal full market value.

Under current law, an assessor is required to consider recent arm's-length sales of the assessed property. The bill would define "arm's-length sale" to mean a sale between a willing buyer and willing seller, neither being under compulsion to buy or sell, and each being familiar with the attributes of the property sold.

Require that in determining the value of real property, an assessor must consider any lease provisions and actual rent pertaining to a property and affecting its value. Require the assessor to include the lease provisions and rent associated with a sale and leaseback of the property, if all such lease provisions and rent are the result of an arm's-length transaction involving persons who are not related, as provided under section 267 of the Internal Revenue Code (relating to certain transactions between related taxpayers) for the year of the transaction. With regard to this provision, an "arm's-length transaction" would mean an agreement between willing parties, neither being under compulsion to act, and each being familiar with the attributes of the property.

Specify that in determining the value of property using generally accepted appraisal methods, an assessor would be required to consider all of the following as comparable to the property being assessed:

a. sales or rentals of properties exhibiting the same or a similar highest and best use, with placement in the same real estate market segment. Define "real estate market segment" to mean a pool of potential buyers and sellers, that may be found locally, regionally, nationally, or internationally, and that typically buy or sell properties similar to the property being assessed, including potential buyers who are investors or owner-occupants; and

b. sales or rentals of properties, that may be found locally, regionally, or nationally, and which are similar to the property being assessed with regard to age, condition, use, type of construction, location, design, physical features, and economic characteristics, including similarities in occupancy and the potential to generate rental income.

For the purpose of determining the value of a property using generally accepted appraisal methods, specify that a property would not be comparable to the property being assessed if at or before the time of the sale: (a) the seller places any deed restriction on that property that changes the highest and best use of that property or prohibits competition, so that it no longer qualifies as a comparable property; and (b) the property being assessed lacks such a restriction. Further specify that a property would not be comparable if the property is dark property and the property being assessed is not dark property. Define "dark property" to mean property that is vacant or unoccupied beyond the normal period for property in the same real estate market segment. Specify that what would be considered vacant or unoccupied beyond the normal period could vary depending on the property location. Require DOR to assist local assessors when determining whether a property would or would not be comparable to the property being assessed.

Modify the current law definition of "real property," "real estate," and "land" to include fixtures and leases, as well as assets that cannot be taxed separately as real property, but are inextricably intertwined with the real property, enable the real property to achieve its highest and best use, and are transferable to future owners. With regard to this definition, a "lease" would mean a right in real estate that is related primarily to the property and not to the labor, skill, or business acumen of the property owner or tenant. Specify that, similar to the current law definition, the proposed changes to the definition of real property, real estate, and land would apply to the statutes pertaining to property taxes, income taxes, motor vehicle fuel and general aviation taxes, and state shared revenue.

Specify that these provisions first apply to property tax assessments as of January 1, 2020 (property tax year 2020(21)).

The provisions related to the assessment of leased property would attempt to remove the legal basis of a 2008 decision by the Wisconsin Supreme Court (*Walgreen Company v. City of Madison*) that held an assessment of leased retail property using the income assessment approach must be based on market rent, which is what a person would pay based on similar rentals, rather than the actual rent.

Joint Finance: Delete provision.

6. INFORMATION ON PROPERTY TAX BILLS -- EFFECT OF SCHOOL CHOICE PROGRAMS ON SCHOOL AID

Governor: Require that property tax bills include information from the school district where the property is located regarding the amount and percentage change of any gross reduction in state aid paid to the district between the previous year and the current year as a result of pupils enrolled in: (a) the statewide parental choice program; (b) the Racine parental choice program; (c) the Milwaukee parental choice program; or (d) as a result of making payments to private schools under the special needs scholarship program.

Specify that this information need not be included on property tax bills in any year in which a reduction in state school aids does not occur. Require that this information be conveyed in a form substantially similar to the following: “The gross reduction in state aid to your school district in the .... (current year) is $ .... as a result of pupils enrolled in the .... (statewide choice program) (Racine choice program) (Milwaukee choice program) or as a result of payments to .... (a private school) under the special needs scholarship program. Your school district had the option to increase property taxes to replace this aid reduction.” Additional information on this provision, as it relates to the Department of Public Instruction, is included under a separate item (see "Public Instruction -- Choice, Charter, and Open Enrollment").

Joint Finance: Delete provision.

7. TAX INCREMENTAL FINANCING DISTRICT VALUE REPORTING ERROR

Governor: Provide that for property values reported to DOR in 2018, if a city erroneously reports a higher value increment for its tax incremental financing districts (TID) in an aggregate amount of at least $50 million, that city's TIDs may transfer the excess tax increments collected resulting from this error directly to the city's general fund for the sole purpose of reimbursing taxpayers for the resulting erroneously higher property tax rates imposed on the (municipal) taxpayers. The bill would create an exception for these excess tax increments to the current law requirement that tax increments received with respect to a TID, upon receipt by the city treasurer, have to be deposited into a special fund to finance the TID's eligible project costs. Require that a city that acts under this provision verify with DOR the amounts being transferred and disbursed before those transactions may take place. While this provision could potentially apply to value increments for TIDs created in other cities and villages, it would provide a remedy to municipal taxpayers for the recent error in the reporting of TID increment values for the City of Verona.

Joint Finance: Delete provision.

8. LIMIT ON TAX INCREMENTAL FINANCING DISTRICT DEVELOPER CASH GRANTS

Governor: Specify that the total of all cash grants that are made by a city or village to owners, lessees, or developers of land located within a TID may not exceed 20% of the total project costs of the TID, including financing costs attributable to the grants.

Under current law, cash grants may be made by a city or village to owners, lessees, or developers of land that is located within the TID if the grant recipient has signed a development agreement with the city or village, a copy of which must be sent to the appropriate joint review board.

Specify that this provision first applies to a TID that is created on October 1, 2019, or to a TID project plan that is amended on October 1, 2019.

Joint Finance: Delete provision.

9. TAX INCREMENTAL FINANCING DISTRICT PROJECT PLANS -- ALTERNATIVE GROWTH PROJECTIONS

Governor: Require that a TID project plan contain alternative projections of the TID's finances and economic feasibility under different economic scenarios. Specify that these scenarios include the pace of development in the TID being slower than expected and the rate of property value growth in the TID being lower than expected. Specify that this provision first applies to a TID that is created on October 1, 2019, or whose project plan is amended on October 1, 2019.

Under current law, a TID project plan must be approved by the local legislative body and must include: (a) a statement listing the kind, number and location of all proposed public works or improvements; (b) an economic feasibility study; (c) a list of estimated project and non-project

costs; (d) a description of financing methods and the timing of when costs are to be incurred; (e) a map showing existing uses and conditions of real property in the TID; (f) any proposed changes in a municipal zoning ordinance, master plan, or applicable building codes and municipal ordinances; (g) a relocation plan for any persons to be displaced; (h) an indication of how the TID promotes orderly development; and (i) an opinion of the city or village attorney, or of an attorney retained by the city or village, advising whether the plan is in compliance with the TID law.

Joint Finance: Delete provision.

Forestry Mill Rate

1. FORESTRY MILL RATE -- GPR TRANSFER TO CONSERVATION FUND

GPR	$16,201,500

Governor/Joint Finance: Increase funding by $6,109,400 in 2019-20 and $10,092,100 in 2020-21 for the sum sufficient appropriation to reflect projected changes in statewide equalized values. Funds equal to the amount calculated by multiplying the value of all taxable property in the state, as determined by DOR, by a rate of 0.1697 mills (0.01697%) are transferred from the general fund to the conservation fund annually. This transfer occurs due to repeal of the state forestry mill tax as of property taxes levied in 2017, payable in 2018. With these adjustments, base level funding of $91,644,000 would increase to $97,753,400 in 2019-20 and $101,736,100 in 2020-21. Additional information on this program, as it relates to the Department of Natural Resources is included under a separate item (see "Natural Resources -- Conservation and Recreation.")

Other Credits

Descriptions of any budget provisions related to the homestead tax credit, other tax credits, and cigarette and tobacco products tax refunds are provided under "General Fund Taxes."

STATE FAIR PARK

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$4,956,000	$5,367,300	$5,367,300	$0	0.0%	$411,300	8.3%
PR	41,845,600	43,743,100	43,728,700	- 14,400	0.0	1,883,100	4.5
TOTAL	$46,801,600	$49,110,400	$49,096,000	- $14,400	0.0%	$2,294,400	4.9%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
PR	47.00	50.00	47.00	- 3.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$756,600

Governor/Joint Finance: Provide adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits ($193,000 annually); and (b) overtime costs ($185,300 annually).

2. STATE FAIR PARK OPERATIONS

PR	$1,780,900

Governor/Joint Finance: Reestimate State Fair Park operations by $816,400 in 2019-20 and $964,500 in 2020-21. Of the amounts budgeted, $460,200 annually would be for limited-term employee (LTE) costs in police, public safety, facility operations, and revenue control and money handling. Remaining amounts of $356,200 in 2019-20 and $504,300 in 2020-21 would be budgeted for increased supplies and services costs related to facilities maintenance, utilities, security and safety, marketing, entertainment, ticketing systems, and agriculture awards and programming.

State Fair Park operations are funded by revenues generated from admissions, parking, and

a percentage of sales made by vendors and concessionaires at Park events, primarily the annual Wisconsin State Fair. The Park may expend all monies it receives, subject to approval by the Department of Administration. The request is intended to more closely align budgeted Park operations with recent years' expenditures. Under the bill, operations expenditures for the Park would be budgeted at $18.2 million in 2019-20 and $18.4 million in 2020-21.

3. CONVERT LIMITED-TERM EMPLOYEES TO FULL-TIME EMPLOYEES [LFB Paper 675]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$14,400	3.00	- $14,400	- 3.00	$0	0.00

Governor: Provide 3.0 unclassified positions with $7,200 each year to hire LTEs as permanent staff at the same wage rate. State Fair Park reports the employees are already eligible for fringe benefits, and annual increases of $7,200 represent a differential between LTE and full-time fringe benefits. Staff would be allocated to the police department (1.0 position), and sponsorship and concession sales (2.0 positions).

Joint Finance: Delete provision.

4. DEBT SERVICE REESTIMATES

GPR	$411,300
PR	- 654,400
Total	- $243,100

Governor/Joint Finance: Reestimate principal and interest payments on State Fair Park facilities by $365,300 GPR in 2019-20 and by $46,000 GPR in 2020-21. Further, reestimate PR-supported principal and interest payments by -$217,000 in 2019-20 and by -$437,400 in 2020-21.

GPR debt service is associated with bonds issued to fund primarily agricultural and other exhibition facilities at State Fair Park, as well as various land acquisitions, certain infrastructure projects, and the Tommy G. Thompson Youth Center. Total GPR debt service payments for State Fair Park are budgeted at $2.8 million in 2019-20 and $2.5 million in 2020-21. State Fair Park's PR-supported debt service is primarily associated with the Milwaukee Mile racetrack and grandstand, the Wisconsin Exposition Center, and other general facilities improvements. PR-supported debt service is budgeted at $3.5 million in 2019-20 and $3.3 million in 2020-21.

STATE TREASURER

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$511,300	$0	- $511,300	- 100.0%	$0	N.A.
PR	233,400	384,200	233,400	- 150,800	- 39.3	0	0.0%
TOTAL	$233,400	$895,500	$233,400	- $662,100	- 73.9%	$0	0.0%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	0.00	2.50	0.00	- 2.50	0.00
PR	1.00	1.50	1.00	- 0.50	0.00
TOTAL	1.00	4.00	1.00	- 3.00	0.00

Budget Change Items

1. GENERAL PROGRAM OPERATIONS APPROPRIATION CREATION AND FUNDING

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$511,300	2.50	- $511,300	- 2.50	$0	0.00
PR	150,800	0.50	- 150,800	- 0.50	0	0.00
Total	$662,100	3.00	- $662,100	- 3.00	$0	0.00

Governor: Create a GPR appropriation for general program operations within the Office of the State Treasurer. Provide $240,100 GPR and $71,700 PR in 2019-20 and $271,200 GPR and $79,100 PR in 2020-21 and 2.5 GPR and 0.5 PR positions annually. Funding is allocated as identified below.

	2019-20		2020-21		2019-21
	GPR	PR	GPR	PR	Total
Salary and Fringe Benefits	$175,700	$8,400	$218,300	$27,200	$429,600
Supplies and Services	50,600	49,600	52,900	51,900	205,000
Office Move Costs	13,800	13,700	0	0	27,500
Total	$240,100	$71,700	$271,200	$79,100	$662,100

The bill would provide funding for two appropriations, one funded by GPR and the other by PR funds generated by the sale of unclaimed property. The bill would create three classified positions, including: (a) a chief of staff (administrative manager); (b) a financial specialist (chief investment officer); and (c) a constituent services and scheduling specialist (office management specialist). The bill would modify funding and position authority for the State Treasurer such that the position would be funded by 50% GPR and 50% PR. Under current law, the State Treasurer's compensation is funded entirely by program revenue.

In addition, the bill would provide a supplies and services allocation of $100,200 in 2019-20 and $104,800 in 2020-21 for costs associated with travel, membership in national organizations, and the promotion of unclaimed property. The bill would also provide a one-time allocation of $27,500 in 2019-20 for costs associated with the new positions and moving the office.

Joint Finance: Delete provision.

2. STUDY COMMITTEE ASSIGNMENTS OF THE STATE TREASURER

Governor: Place the State Treasurer on the private sector retirement security plan study committee, created in the bill under the Department of Employee Trust Funds (ETF). The purpose of the committee is to study the feasibility of establishing a private retirement security plan to provide retirement benefits for Wisconsin residents who choose to participate in the plan.

Further, place the State Treasurer on the student loan refinancing study committee under the Department of Financial Institutions (DFI). The purpose of the committee is to study the creation and administration of a bonding authority for the refinancing of student loans "to ease the burden of student loan debt" for Wisconsin residents.

[See "Employee Trust Funds," "Financial Institutions," and "Higher Educational Aids Board" for additional information.]

Joint Finance: Delete provision.

SUPREME COURT

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$35,647,000	$35,047,900	$35,047,900	$0	0.0%	- $599,100	- 1.7%
FED	2,001,800	1,931,000	1,931,000	0	0.0	- 70,800	- 3.5
PR	26,050,800	26,263,300	26,263,300	0	0.0	212,500	0.8
SEG	1,666,800	1,647,000	1,647,000	0	0.0	- 19,800	- 1.2
TOTAL	$65,366,400	$64,889,200	$64,889,200	$0	0.0%	- $477,200	- 0.7%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	115.50	115.50	115.50	0.00	0.00
FED	5.00	5.00	5.00	0.00	0.00
PR	96.25	96.25	96.25	0.00	0.00
SEG	5.00	5.00	5.00	0.00	0.00
TOTAL	221.75	221.75	221.75	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $599,100
PR	212,500
FED	- 70,800
SEG	- 19,800
Total	- $477,200

Governor/Joint Finance: Remove $275,300 in 2019-20 and $201,900 in 2020-21 for standard budget adjustments, including: (a) salary and fringe benefits, -$489,100 GPR, -$132,400 PR, -$35,400 FED, and -$21,300 SEG annually; and (b) full funding of lease and directed moves costs, $168,300 GPR, $223,900 PR, and $10,700 SEG in 2019-20 and $210,800 GPR, $253,400 PR, and $12,100 SEG in 2020-21.

TOURISM

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$10,283,400	$17,291,900	$11,171,400	- $6,120,500	- 35.4%	$888,000	8.6%
FED	1,532,400	1,541,800	1,541,800	0	0.0	9,400	0.6
PR	19,199,000	19,743,600	18,809,000	- 934,600	- 4.7	- 390,000	- 2.0
SEG	3,207,000	3,207,000	3,207,000	0	0.0	0	0.0
TOTAL	$34,221,800	$41,784,300	$34,729,200	- $7,055,100	- 16.9%	$507,400	1.5%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	29.00	35.00	32.00	- 3.00	3.00
FED	1.00	1.00	1.00	0.00	0.00
PR	4.00	1.00	1.00	0.00	- 3.00
SEG	0.00	0.00	0.00	0.00	0.00
TOTAL	34.00	37.00	34.00	- 3.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$264,700
PR	74,700
FED	9,400
Total	$348,900

Governor/Joint Finance: Provide adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits ($126,400 GPR, $37,400 PR, and $4,700 FED annually); and (b) full funding of lease and directed moves costs ($3,100 GPR in 2019-20 and $8,800 GPR in 2020-21).

2. INCREASE OUT-OF-STATE MARKETING [LFB Paper 690]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$5,186,700	1.00	- $5,186,700	- 1.00	$0	0.00

Governor: Provide $4,000,000 GPR in 2019-20 and $1,000,000 GPR in 2020-21 in the Department's GPR marketing appropriation. Further, provide 1.0 GPR position with $80,000 GPR in 2019-20 and $106,700 GPR in 2020-21 in the Department's general program operations appropriation to support the increased marketing funding. The administration indicates it intends for the funds to supplement out-of-state marketing of Wisconsin as a cultural and recreational destination.

Tourism marketing funds support advertising contracts with private firms to advertise Wisconsin tourism destinations primarily within the state and region. Direct advertising and marketing efforts totaled approximately 82% of marketing expenditures in 2017-18, with the remainder supporting grant programs, market research, publications, and other costs.

Joint Finance: Delete the proposed 1.0 GPR position and associated funding. Provide $781,800 each year in additional marketing funding rather than the amount recommended, but appropriate funding under the Joint Committee on Finance's supplemental appropriation. Tourism could submit a request under s. 13.10 of the statutes for release of the funding [see "Program Supplements."]

The table shows budgeted amounts under the base and Joint Finance action. Other changes to marketing funding reflected in the table are discussed in the following summary entries.

Tourism Marketing Appropriations

Fund	Base	2019-20	2020-21
GPR	$1,827,100	$2,080,400*	$2,571,100*
Tribal Gaming PR	9,127,100	9,127,100	9,127,100
Transportation Fund SEG	1,591,400	1,591,400	1,591,400
Total	$12,545,600	$12,798,900	$13,289,500

* This assumes Tourism receives the full amount set aside under the Committee's supplemental appropriation under a subsequent Committee vote.

3. VIDEO PRODUCTION STAFF [LFB Paper 691]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$790,000	2.00	- $790,000	- 2.00	$0	0.00

Governor: Provide 2.0 positions with $374,200 in 2019-20 and $415,800 in 2020-21 in the Department's general program operations appropriation. Funding would consist of $101,400 in 2019-20 and $135,400 in 2020-21 for salary and fringe benefits, and $272,800 in 2019-20 and $280,400 in 2020-21 for supplies and services. The administration and Tourism intend for the positions to better support marketing campaigns by increasing the Department's capacity to create promotional videos in-house.

Joint Finance: Convert 2.0 vacant positions to video production staff and provide $28,500 in 2019-20 and $37,900 in 2020-21 to reflect increased salary and fringe benefit costs of the new positions. Additionally, provide $250,000 GPR each year of the Governor's recommended amounts as one-time funding in general program operations for supplies and services costs associated with purchase of video production equipment. Reduce the Department's GPR marketing appropriation by $528,500 in 2019-20 and $37,900 in 2020-21 to offset funding provided for video production staff. As a result of the funding and vacant position reallocations, the provision would not increase funding or positions relative to the agency base.

4. CREATE OFFICE OF OUTDOOR RECREATION [LFB Paper 692]

	Funding	Positions
GPR	$623,300	3.00

Governor: Provide 3.0 positions with $274,300 in 2019-20 and $349,000 in 2020-21 to create an Office of Outdoor Recreation. Funding would be provided under the Department's general program operations appropriation. The purpose of the Office is to promote Wisconsin's outdoor recreational opportunities and to connect businesses in the outdoor recreation industry.

Joint Finance: Modify the Governor's proposal to provide funding, on a one-time basis, during the 2019-21 biennium and specify that the positions would be two-year project positions that expire June 30, 2021. Under Joint Finance action, Tourism general program operations would be budgeted at $3.2 million GPR in 2019-20 and $3.3 million GPR in 2020-21 with 29.0 positions.

5. DELETE OFFICE OF MARKETING SERVICES [LFB Paper 693]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $731,600	- 4.00	$266,800	1.00	- $464,800	- 3.00

Governor: Delete 4.0 positions and $365,800 annually associated with the Office of Marketing Services (OMS). The administration indicates it intends deleted funding and position authority to be offset by creation of the Office of Outdoor Recreation (3.0 GPR positions) and provision of in-house video production staff (2.0 GPR positions) as discussed in other entries. While the provision deletes funding associated with OMS, the statutory authorization for the office would remain.

OMS provides services to state agencies such as marketing plan development, market research, public relations, and advertising. Under the arrangement, Tourism assesses state agencies charges for marketing services sufficient to cover Tourism's cost in providing the services. Recent projects have included recruitment videos, marketing of annual conferences, awareness campaigns for state programs, and agency publications. In 2017-18, Tourism provided 2,100 hours of staff time to 22 projects, with revenue of $166,200.

Joint Finance: Restore 1.0 PR OMS director and $133,400 PR annually.

6. NATIVE AMERICAN TOURISM OF WISCONSIN MARKETING [LFB Paper 690]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$200,000	- $200,000	$0

Governor: Provide an additional $100,000 each year in Tourism's tribal gaming PR marketing appropriation to promote tourism featuring Native American heritage and culture. The funding is intended to increase the Department's contract with Native American Tourism of Wisconsin (NATOW) from $200,000 to $300,000 annually. Currently, Tourism contracts with NATOW to promote awareness of Wisconsin's Native American tribes and the tribes' tourist destinations, including notable cultural and natural sites. During the 2017-19 biennium, this contract is $200,000 each year. [See "Administration -- Division of Gaming."]

Joint Finance: Delete provision. The bill would maintain base-level tribal gaming PR-supported marketing of $9,127,100 each year.

7. RESTORE PERCENT FOR ART

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$1,001,400	1.00	- $1,001,400	- 1.00	$0	0.00

Governor: Restore the Percent for Art (PfA) program, which requires a percentage of state building costs be used to acquire and display works of art for public viewing. Previously, 2011 Act 32, the biennial budget act, deleted PfA, including its funding and positions.

Create a PR continuing appropriation with 1.0 position and $500,700 each year within the Arts Board to receive all money from state agencies for acquisition and display of art in state buildings under PfA. Additionally, create a PR continuing appropriation within the Arts Board to receive a portion of funds received for PfA as necessary for administration of the program.

Require at least 0.2% of any appropriation for the construction or remodeling of eligible state buildings be spent for the acquisition and display of art within or on the grounds of the

building, plus any administrative costs incurred by the Board. Specify the Building Commission may not approve a contract unless the proposed building, if eligible, complies with the requirements of PfA. Define work of art as any original creation of visual art, or a reproduction that is controlled by the artist as part of a limited edition. Define buildings subject to PfA as permanent structures that are normally occupied by state employees, wholly or partially enclosed, and used for performance of the functions of a state agency. Exempt from PfA: (a) any building with total construction cost less than $250,000; (b) any building or portion of a building not open to the general public in its normal use; and (c) game farms, fish hatcheries, nurseries, and other production facilities operated by the Department of Natural Resources.

For each construction project, require the Board to appoint a committee to review and recommend art to be displayed. Specify that each project's committee have at least five members, consisting of: (a) a member of the Arts Board; (b) two artists, art educators, art administrators, museum directors or curators, art critics, or art collectors; and (c) two project managers, architects, users of the proposed building, or members of the Building Commission. Require the Arts Board to select at least one work of art recommended by the advisory committee. In cases of contiguous buildings, authorize the Board, after reviewing recommendations of the advisory committee, to allocate art for display at the buildings as one project. Specify that the selection of art must represent a wide variety of art forms from the broadest feasible diversity of artists, except that preference must be given to Wisconsin artists.

For the purpose of procuring art for PfA, specify that any contract will assign ownership of the art to the state, but preserve the following considerations: (a) for an existing work, any remaining obligations of the art's current owner to the artist; and (b) for works newly created or owned by the originating artist, the right of the artist to reproduce the art, including rights under federal copyright law, and the right of the artist to claim authorship of the art. Direct the Arts Board to ensure all art is installed within public view. In the case of new, original works of art, require the Board to ensure proper execution of the piece. Require the Board to cooperate with the Building Commission and artist to ensure maintenance of the artwork, allowing artistic alteration only with approval of the artist or their representative.

Specify that artwork must be displayed for at least 25 years, unless earlier removal is found to be in the public interest by the Board in consultation with the agency occupying the building. Require that art removed from display be loaned to an accredited museum in Wisconsin, or other educational or public institutions capable of maintaining and exhibiting it.

Joint Finance: Delete provision.

8. STATE AID FOR THE ARTS [LFB Paper 694]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$143,800	- $143,800	$0

Governor: Provide an additional $71,900 annually in the Arts Board's state aids for the arts

appropriation. Under the Governor's proposal, the appropriation would be budgeted at $431,200 annually. The amount is intended to represent a general increase in arts funding of 20%, and is not intended to target a specific grant program. Further, increased funding would be expected to assist with match requirements of federal funding received from the National Endowment for the Arts that the Board administers on behalf of Wisconsin. Arts Board grant programs support arts programming by nonprofit arts organizations, community groups, and local government agencies, including performances, arts education for K-12 students, folk and traditional arts, and pass-through funding for regranting by local entities.

Joint Finance: Delete provision. The bill would maintain base-level GPR funding for state aid for the arts at $359,300.

TRANSPORTATION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$223,949,600	$240,373,000	$330,373,000	$90,000,000	37.4%	$106,423,400	47.5%
FED	1,802,920,000	1,775,345,200	1,775,345,200	0	0.0	- 27,574,800	- 1.5
PR	20,856,200	24,376,800	21,618,000	- 2,758,800	- 11.3	761,800	3.7
SEG	3,603,265,000	4,148,679,400	4,037,160,300	- 111,519,100	- 2.7	433,895,300	12.0
SEG-L	230,651,200	230,651,200	230,651,200	0	0.0	0	0.0
SEG-S	207,770,600	207,693,800	247,693,800	40,000,000	19.3	39,923,200	19.2
TOTAL	$6,089,412,600	$6,627,119,400	$6,642,841,500	$15,722,100	0.2%	$553,428,900	9.1%
BR		$338,254,600	$326,254,600	- $12,000,000	- 3.5%		

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
FED	825.82	825.82	825.82	0.00	0.00
PR	18.00	22.00	18.00	- 4.00	0.00
SEG	2,395.29	2,398.29	2,395.29	- 3.00	0.00
SEG-S	5.00	5.00	5.00	0.00	0.00
TOTAL	3,244.11	3,251.11	3,244.11	- 7.00	0.00

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT

The following table shows the estimated 2019-21 transportation fund condition statement under the Joint Finance version of the bill. Revenues reflect reestimates of collections under existing taxes and fee rates as well as the rate increases that would occur under the bill as modified.

Department of Transportation (DOT) appropriations represent the bulk of the appropriations from the transportation fund. However, appropriations are also made for the following purposes,

which are shown in the table, in total, as "Other Agency Appropriations": (a) to the Department of Revenue for the administration of the motor fuel tax, the air carrier and railroad property taxes, and the rental vehicle fee; (b) to the conservation fund to reflect estimated motor fuel taxes paid by users of motorboats, snowmobiles, all-terrain vehicles, and utility-terrain vehicles; (c) railroad terminal tax distributions, which are payments made to local governments where railroad terminal property is located; and (d) payment of reissued checks related to DOT.

Revenues	2019-20	2020-21
Unappropriated Balance, July 1	$97,060,800	$55,908,000
Revenues		
Motor Fuel Tax	$1,087,247,200	$1,092,322,900
Vehicle Registration Fees	890,310,900	950,309,900
Less Revenue Bond Debt Service	-225,135,100	-240,362,900
General Fund Transfer	43,303,000	44,074,100
Petroleum Inspection Fund Transfers	51,551,100	22,961,600
Petroleum Inspection Fee Deposit	0	38,900,000
Driver's License Fees	40,518,100	40,906,000
Miscellaneous Motor Vehicle Fees	28,991,900	29,454,600
Aeronautical Fees and Taxes	8,811,400	9,303,400
Railroad Property Taxes	48,056,400	49,498,100
Miscellaneous Departmental Revenues	17,659,400	18,659,400
Investment Earnings	3,000,000	3,000,000
Total Annual Revenues	$1,994,314,300	$2,059,027,100
Total Available	$2,091,375,100	$2,114,935,100
Appropriations and Reserves		
DOT Appropriations	$2,005,774,200	$2,030,597,100
Compensation and Other Fund Reserves	6,014,200	8,047,800
Less Estimated Lapses	-3,000,000	-3,000,000
Other Agency Appropriations	26,678,700	26,249,600
Net Appropriations and Reserves	$2,035,467,100	$2,061,894,500
Unappropriated Balance, June 30	$55,908,000	$53,040,600

2. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

The Joint Finance version of the bill would maintain the current law, annual transfer of 0.25% of general fund taxes to the transportation fund in each year of the 2019-21 biennium. Compared to the bill, this provision would increase the transportation fund balance by $87,377,100 in the biennium and decrease the general fund balance by the same amount.

As provided under current law, revenue from the petroleum inspection fund (PIF) would be used to support transportation programs. This includes a provision of 2017 Act 59, under which the DOA Secretary, beginning on June 30, 2020, and on June 30 of each subsequent fiscal year, is

required to transfer the unencumbered balance of PIF to the transportation fund, except for an amount equal to not less than 5% of the gross revenues received by PIF during the fiscal year in which the transfer is made. However, under the Joint Finance version of the bill, revenue from one cent of the two cent petroleum inspection fee on gasoline, diesel, and other petroleum products would be deposited directly to the transportation fund, effective July 1, 2020. As shown in a separate item, the net effect of this action and the current law transfer would be an increase of $2,290,100 SEG-REV to the transportation fund in the biennium. In total, this provision would result in an estimated $38,900,000 associated with one cent of the fee being deposited directly to the transportation fund. As provided under current law, estimate PIF transfers of $45,292,600 in 2019-20 and $16,703,100 in 2020-21. In addition, the ongoing statutory transfer from the PIF to the transportation fund of $6,258,500 annually would continue.

Use of Other Funds for Transportation Purposes -- Biennial Comparison

	2017-19	2019-21	Biennial Change	% Change
Current Law*				
General Fund				
0.25% Trans. of General Fund Taxes	$81,791,800	$87,377,100	$5,585,300	6.8%
Petroleum Inspection Fund				
One-time Transfer	$48,000,000	$0	-$48,000,000	-100.0%
Annual Transfer Unencumbered Balance	0	61,995,700	61,995,700	
Ongoing Appropriation Transfer	12,517,000	12,517,000	0	0.0
Subtotal	$60,517,000	$74,512,700	$13,995,700	23.1%
Current Law Subtotal	$142,308,800	$161,889,800	$19,581,000	13.8%
Joint Finance				
Deposit PIF Revenue (1¢ of fee) to Transportation Fund	N.A.	$38,900,000	$38,900,000	N.A.
Total	$142,308,800	$200,789,800	$58,481,000	41.1%

*Excludes debt service amounts on general fund-supported bonds issued for transportation purposes and other GPR appropriations for specific transportation purposes. The Joint Finance version of the bill would appropriate $90 million GPR in 2019-20 for the local roads improvement program.
Note: Use of other funds under the Governor's recommendation would have totaled $111.2 million.

3. ELIMINATE GENERAL FUND TRANSFER TO TRANSPORTATION FUND

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Transfer	- $87,377,100	$87,377,100	$0
SEG-Transfer	- 87,377,100	$87,377,100	0

Governor: Repeal the current law transfer of 0.25% of general fund taxes to the transportation fund in each fiscal year of a biennium, as well as the statutory reference to the minimum annual transfer amount of $35,127,000.

Increase estimated general fund revenue by $43,303,000 GPR in 2019-20 and $44,074,100 GPR in 2020-21 to reflect that the GPR-Transfer would no longer be made. Make corresponding reductions to estimated transportation fund revenue of $43,303,000 SEG in 2019-20 and $44,074,100 SEG in 2020-21.

Renumber and make modifications to references in the statutes related to transfers to the transportation fund.

Joint Finance: Delete provision. Increase estimated GPR- and SEG-Transfers by $43,303,000 in 2019-20 and $44,074,100 in 2020-21 compared to the Governor's recommendations. These transfer amounts reflect the reestimated general fund condition statement under the Joint Finance version of the bill.

4. DEPOSIT REVENUE FROM ONE-CENT OF PETROLEUM INSPECTION FEE TO TRANSPORTATION FUND

SEG-REV	$2,290,100

Joint Finance: Deposit the revenue from one-cent of the two-cent petroleum inspection fee to the transportation fund in each year, effective on July 1, 2020. Make the following modifications to the amount of estimated petroleum inspection fee revenue provided to the transportation fund: (a) a decrease of $884,900 in 2019-20; and (b) an increase of $3,175,000 in 2020-21. These revenue modifications reflect a reestimate of current law revenues and a reestimate of the current law transfer to the transportation fund as a result of the direct deposit of one cent of the fee to that fund.

5. ALLOCATION OF FEDERAL HIGHWAY AID

Governor: Estimate federal highway formula aid at $792,192,700 in 2019-20 and $787,192,700 in 2020-21, which represents decreases of $11,153,900 in 2019-20 and $16,153,900 in 2020-21, relative to the 2018-19 appropriation base. The actual amount of the state's federal highway aid in 2019-21 will be determined on an annual basis under federal transportation appropriations acts of Congress. Some uncertainty exists regarding the actual amount of federal transportation aid that will be appropriated by the federal government and made available to the state in the biennium. In addition, the current federal surface transportation authorization act (the FAST Act) is set to expire on September 30, 2020 (state fiscal year 2020-21).

The following table shows the change to the appropriation base recommended by the Governor and the resulting distribution of federal highway formula aid. As shown in the table, the recommendation would primarily increase federal highway aid to the southeast Wisconsin freeway megaprojects program, while decreasing the amount of federal funds allocated to the state highway rehabilitation and major highway development programs.

Appropriation	Base	Change to Base 2019-20	Change to Base 2020-21	Governor 2019-20	Governor 2020-21
State Highway Rehabilitation	$426,538,000	-$813,900	-$60,813,900	$425,724,100	$365,724,100
Major Highway Development	209,694,800	-21,993,700	-18,593,700	187,701,100	191,101,100
Local Transportation Facility Improvement Assistance	72,244,900	-6,400	-6,400	72,238,500	72,238,500
Southeast Freeway Megaprojects	29,324,200	11,680,900	63,280,900	41,005,100	92,605,100
Local Bridge Improvement	24,416,000	3,600	3,600	24,419,600	24,419,600
Departmental Mgmt. and Ops.	15,201,100	130,600	130,600	15,331,700	15,331,700
Congestion Mitigation/Air Quality Improvement	10,719,000	0	0	10,719,000	10,719,000
Transportation Alternatives	7,049,300	0	0	7,049,300	7,049,300
Administration and Planning	3,693,300	-84,800	-84,800	3,608,500	3,608,500
Railroad Crossing Improvements	3,291,800	0	0	3,291,800	3,291,800
Highway System Mgmt. and Ops.	1,174,200	-70,200	-70,200	1,104,000	1,104,000
Total	$803,346,600	-$11,153,900	-$16,153,900	$792,192,700	$787,192,700

Joint Finance: Accept the Governor's estimate of federal highway aid, but modify the appropriation of this aid, as compared to the Governor's budget recommendations, as shown in the following table.

Appropriation	Governor 2019-20	Governor 2020-21	Change to Bill 2019-20	Change to Bill 2020-21	Joint Finance 2019-20	Joint Finance 2020-21
State Highway Rehabilitation	$425,724,100	$365,724,100	$20,000,000	$85,529,400	$445,724,100	$451,253,500
Major Highway Development	187,701,100	191,101,100	-20,000,000	-20,000,000	167,701,100	171,101,100
Local Transportation Facility Improvement Assistance	72,238,500	72,238,500	0	0	72,238,500	72,238,500
Southeast Freeway Megaprojects	41,005,100	92,605,100	0	-65,529,400	41,005,100	27,075,700
Local Bridge Improvement	24,419,600	24,419,600	0	0	24,419,600	24,419,600
Departmental Mgmt. and Ops.	15,331,700	15,331,700	0	0	15,331,700	15,331,700
Congestion Mitigation/Air Quality Improvement	10,719,000	10,719,000	0	0	10,719,000	10,719,000
Transportation Alternatives	7,049,300	7,049,300	0	0	7,049,300	7,049,300
Administration and Planning	3,608,500	3,608,500	0	0	3,608,500	3,608,500
Railroad Crossing Improvements	3,291,800	3,291,800	0	0	3,291,800	3,291,800
Highway System Mgmt. and Ops.	1,104,000	1,104,000	0	0	1,104,000	1,104,000
Total	$792,192,700	$787,192,700	$0	$0	$792,192,700	$787,192,700

6. PROPOSED INCREASES TO TRANSPORTATION TAXES AND FEES [LFB Paper 695]

Under the Governor's recommendations and the Joint Finance version of the bill, a number of changes would be made to transportation fund taxes and fees. The following tables summarize the fiscal effect of these changes, which are described in more detail in subsequent entries.

Transportation Taxes and Fees -- Governor's Recommendations

Tax and Fee Changes	2019-20	2020-21	Biennium
Motor Vehicle Fuel Tax Rate (8¢ per Gallon)	$207,351,000	$277,573,800	$484,924,800
Annual Indexing of Motor Vehicle Fuel Tax Rate	6,911,700	34,696,700	41,608,400
Heavy Truck Fees (27% Increase)	15,579,800	20,773,100	36,352,900
Vehicle Title Fees ($10 Increase)	15,314,100	20,418,800	35,732,900
Hybrid-Electric Vehicle Definition ($75 Annual fee)*	3,070,200	6,675,100	9,745,300
Total	$248,226,800	$360,137,500	$608,364,300

Transportation Taxes and Fees -- Joint Finance Action

Tax and Fee Changes	2019-20	2020-21	Biennium
Vehicle Title Fees ($95 Increase)	$114,662,600	$158,251,000	$272,913,600
Gross Vehicle Weight Registration Fee ($100) - Trucks Not Exceeding 10,000 Pounds	7,874,900	10,618,500	18,493,400
Automobile Registration Fee ($10 Increase)	28,010,100	37,307,500	65,317,600
Hybrid-Electric Vehicle Definition*	4,605,300	6,675,100	11,280,400
Motor Fuel Dealer Administrative Allowance	8,400,000	11,300,000	19,700,000
Evaporation Loss Allowance	3,100,000	4,200,000	7,300,000
Total	$166,652,900	$228,352,100	$395,005,000

*A current law $75 fee exists on certain hybrid-electric vehicles, as enacted under 2017 Act 59, that the Department is unable to asses on these vehicles. The Governor's and Joint Finance Committee's recommended modification to the definition of a hybrid-electric vehicle would address this issue and enable DOT to begin assessing the existing $75 fee on hybrid-electric passenger vehicles.

7. MOTOR VEHICLE FUEL TAX RATE INCREASE [LFB Paper 695]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	$484,924,800	- $484,924,800	$0

Governor: Increase the motor vehicle fuel tax rate (gasoline, gasoline blended with ethanol, and diesel) by eight cents per gallon resulting in a rate of 38.9 cents per gallon, effective October 1, 2019. The current motor vehicle fuel tax rate has been in effect since April 1, 2006, when the final annual indexing adjustment increased the rate to the current 30.9 cents per gallon rate.

Increase estimated transportation fund revenues by $207,351,000 in 2019-20 and $277,573,800 in 2020-21. Lower revenues in the first year compared to the second year reflect that the eight cent rate increase would only be in effect for the final nine months of 2019-20.

The current law provisions related to the floor tax would apply to the proposed rate change. Under current law, on the date any motor vehicle rate change becomes effective, a floor tax is imposed on any motor vehicle fuel held for sale or resale on which the prior motor vehicle fuel tax rate has already been imposed. The amount of the floor tax is determined by multiplying the

number of gallons of motor vehicle fuel being held in inventory on which the prior tax rate has been paid by the difference between that rate already paid and the new rate. The Governor's recommendations did not include any revenues associated with the imposition of the floor tax.

Repeal the obsolete current law provision that specifies the imposition of a one-cent per gallon motor vehicle fuel tax rate increase on November 1, 1997.

Joint Finance: Delete provision.

8. ANNUAL INDEXING OF MOTOR VEHICLE FUEL TAX RATE [LFB Paper 695]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	$41,608,400	- $41,608,400	$0

Governor: Restore the annual indexing of the state motor vehicle fuel tax rate by adjusting the tax rate on April 1, of each year, based on the annual average change in the consumer price index (CPI). The last indexing adjustment to the state's motor vehicle fuel tax rate occurred on April 1, 2006.

Increase estimated transportation fund revenue by $6,911,700 in 2019-20 and $34,696,700 in 2020-21 to reflect the estimated increases in the motor vehicle fuel tax rate due to the reinstatement of the indexing provision. The estimated revenue would be based on two indexing adjustments, which would increase the fuel tax rate from 38.9 cents per gallon (a rate that includes the eight cent per gallon statutory increase included in the Governor's recommended budget, effective October 1, 2019) to an estimated 39.7 cents per gallon (0.8 cent increase) on April 1, 2020 and to an estimated 40.5 cents per gallon (0.8 cent increase) on April 1, 2021.

The indexing formula would include two steps. First, an inflation adjustment factor is calculated by dividing the annual average CPI for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor, for the previous year by the annual average CPI for the year before the previous year. For example, to calculate the April 1, 2020, inflation adjustment factor, the 2019 annual average CPI would be divided by the 2018 annual average CPI. Second, the new fuel tax rate would be calculated by multiplying the existing fuel tax rate by the inflation adjustment factor and rounding the result to the nearest tenth of a cent.

The current law provisions related to the floor tax would apply to the proposed fuel tax rate indexing adjustments under this provision. The Governor's recommendations did not include any revenues associated with the imposition of the floor tax.

Joint Finance: Delete provision.

9. INCREASE AUTOMOBILE REGISTRATION FEE [LFB Paper 695]

SEG-REV	$65,317,600

Joint Finance: Increase the annual vehicle registration fee for automobiles by $10, from $75 to $85, effective October 1, 2019. Increase estimated transportation fund revenue by $28,010,100 SEG-REV in 2019-20 and $37,307,500 SEG-REV in 2020-21.

10. INCREASE TO REGISTRATION FEES FOR VEHICLES REGISTERING BASED ON GROSS VEHICLE WEIGHT [LFB Paper 695]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	$36,352,900	- $17,859,500	$18,493,400

Governor: Increase the following registration fees for motor vehicles that are registered based on gross vehicle weight, as shown in the table below. Increase estimated transportation fund revenue by $15,579,800 in 2019-20 and by $20,773,100 in 2020-21.

Gross Weight Not Exceeding (in Pounds)	Current Fee	Increase	Proposed Fee
4,500	$75	$21	$96
6,000	84	23	107
8,000	106	29	135
10,000	155	42	197
12,000	209	57	266
16,000	283	77	360
20,000	356	97	453
26,000	475	129	604
32,000	609	165	774
38,000	772	209	981
44,000	921	249	1,170
50,000	1,063	288	1,351
54,000	1,135	307	1,442
56,000	1,209	327	1,536
62,000	1,367	370	1,737
68,000	1,543	417	1,960
73,000	1,755	474	2,229
76,000	2,081	562	2,643
80,000	2,560	692	3,252

The administration indicates that it intended the above registration fee modifications (a 27% increase) to apply only to vehicles with gross weights in excess of 8,000 pounds. As drafted, the bill would increase fees by the amounts shown for vehicles lighter than the 8,000 pound threshold, which includes a variety of lower-weight vehicle types, such as sport utility vehicles, pick-up trucks, and vans. The estimated revenue associated with the proposed fee change reflects the administration's intent to increase only the fees on vehicles with gross weights in excess of 8,000 pounds. A modification to the bill would be needed to capture the administration's intent.

Specify that these increased fee amounts would first apply to an application for registration received by DOT on the effective date of the bill. However, the estimated revenues in the bill associated with this provision appear to reflect nine months of collections in 2019-20.

Joint Finance: Delete the Governor's recommendation to increase registration fees for vehicles weighing 8,000 pounds or more. Instead, modify the annual registration fees for the following vehicle weight classes such that the fee amount due for each of the affected classes would be $100, as shown the table below. Increase estimated transportation fund revenue by $7,874,900 SEG-REV in 2019-20 and by $10,618,500 SEG-REV in 2020-21. [As compared to the bill, this would reduce estimated revenue by $7,704,900 in 2019-20 and by $10,154,600 in 2020-21.] Specify that these provisions would first apply to vehicle registration applications on October 1, 2019.

Gross Vehicle Weight Not Exceeding (in Pounds)	Current Fee	Change	Proposed Fee	Estimated Revenue Change to Base 2019-20	Estimated Revenue Change to Base 2020-21
4,500	$75	$25	$100	$4,592,700	$6,224,300
6,000	84	16	100	6,309,800	8,551,400
8,000	106	-6	100	-1,060,100	-1,436,800
10,000	155	-55	100	-1,967,500	-2,720,400
				$7,874,900	$10,618,500

11. INCREASE VEHICLE TITLE FEES [LFB Paper 695]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	$35,732,900	$237,180,700	$272,913,600

Governor: Increase the base motor vehicle title and title transfer fees (currently $62) by $10. Increase estimated transportation fund revenue by $15,314,100 in 2019-20 and $20,418,800 in 2020-21. Under current law, motor vehicles registered in the state must be titled. The Department issues certificates of title and charges a related fee when a vehicle owner assumes ownership of a new vehicle (the title fee) and after ownership of a currently titled vehicle is transferred (the title transfer fee). Under the proposed increase, the base fee amounts due for these transactions would increase to $72.

Under current law, a supplemental fee of $7.50 is also charged for both title and title transfer transactions, for a total amount due of $69.50. The total amount due for each transaction type under the proposed $10 increase would be $79.50.

The increase to these fees would become effective on the general effective date of the bill. However, the estimated revenues in the bill associated with this provision appear to reflect nine months of collections in 2019-20.

Joint Finance: Modify the Governor's recommendation to instead increase the fee for an initial vehicle title or title transfer transaction by $95, effective October 1, 2019. This action would increase the total amount of these fees (inclusive of the supplemental fees) to $164.50. Increase

estimated transportation fund revenue by $114,662,600 SEG-REV in 2019-20 and $158,251,000 SEG-REV in 2020-21. Compared to the Governor's recommendations, this would be an increase of $99,348,500 in 2019-20 and $137,832,200 in 2020-21 associated with vehicle title and title transfer fees.

12. HYBRID-ELECTRIC VEHICLE FEE DEFINITION [LFB Paper 696]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	$9,745,300	$1,535,100	$11,280,400

Governor: Amend the definition of a hybrid-electric vehicle to mean a vehicle that is capable of using both electricity and gasoline, diesel fuel, or alternative fuel to propel the vehicle. Increase estimated transportation fund revenue by $3,070,200 in 2019-20 and $6,675,100 in 2020-21.

2017 Act 59 created a $75 fee for hybrid-electric passenger vehicles and a $100 fee for non-hybrid, electric passenger vehicles. These supplementary fees are in addition to the existing, required annual registration fees, and were to be imposed beginning January 1, 2018. A hybrid-electric vehicle is currently defined as capable of using gasoline, diesel fuel, or alternative fuel to propel the vehicle, but that is propelled to a significant extent by an electric motor that draws electricity from a battery that has a capacity of not less than four-kilowatt hours and may be capable of being recharged from an external source of electricity.

The Department has subsequently determined that it is unable to identify by vehicle identification number the subset of hybrid-electric vehicles that have batteries with more than four-kilowatt hours of capacity. As a result, the Department is only assessing the $100 fee on electric ("non-hybrid, electric") vehicles, which can be identified. The proposed modification to the definition would allow DOT to collect the $75 annual fee for hybrid-electric passenger vehicles without reference to battery capacity and would become effective on the general effective date of the bill. However, the estimated revenues in the bill associated with this provision appear to reflect six months of collections in 2019-20.

Joint Finance: Modify the effective date of the provision to October 1, 2019. Increase estimated transportation fund revenue by $1,535,100 in 2019-20, as compared to the bill, to reflect nine months of collections in 2019-20.

13. ELIMINATE LICENSED MOTOR VEHICLE FUEL SUPPLIERS ADMINISTRATIVE ALLOWANCE

SEG-REV	$19,700,000

Joint Finance: Eliminate the 1.35% administrative allowance that licensed motor vehicle fuel suppliers may deduct when remitting the fuel tax on gasoline to the Department of Revenue, effective October 1, 2019. Increase estimated transportation fund revenue by $8,400,000 SEG-REV in 2019-20 and by $11,300,000 SEG-REV in 2020-21.

14. ELIMINATE RETAILER REFUNDS FOR EVAPORATION

SEG-REV	$7,300,000

Joint Finance: Eliminate the 0.5% refund of the motor vehicle fuel tax paid on gasoline received into a service station operator's storage facilities to cover shrinkage and evaporation losses. Specify that a refund may not be claimed for fuel purchased after September 30, 2019. Increase estimated transportation fund revenue by $3,100,000 SEG-REV in 2019-20 and by $4,200,000 SEG-REV in 2020-21.

15. MILEAGE-BASED FEE STUDY

SEG	$2,500,000

Joint Finance: Provide the Department $2,500,000 SEG in 2019-20 to do the following: (a) enter into a contract not to exceed $2,500,000 for a mileage-based fee study that would outline the policies, procedures, and operations needed to implement such fees; and (b) a traffic and revenue analysis associated with such fees. Require the firm under contract for this study to report its findings to DOT and each house of the Legislature by December 1, 2022. Require DOT to submit a recommendation on an implementation plan for a mileage-based fee to the Joint Committee on Finance by January 1, 2023. Specify that if the Committee modifies and approves the proposed plan, the Department would only be able to implement the mileage-based fee as modified by the Committee. Specify that if the Committee approves a mileage-based fee structure, there would be created within DOT a Division of Innovative Transportation Finance Systems, which would report directly to the DOT Secretary. Specify that this Division would administer any mileage-based fee structure approved by the Committee.

16. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2017-19 biennium, under the Governor's 2019-21 recommendations, and the Joint Finance version of the bill, by type of bond and program or project. The amounts shown for the use of transportation revenue bonds reflect both the amount authorized and the SEG-S appropriations for the two programs using these bonds. These projects may be initially financed through a temporary use of cash balances from the respective funds. Eventually, bonds are sold to replenish those balances and this becomes the ultimate financing source for these projects.

	2017-19	Governor 2019-21	Joint Finance 2019-21
Transportation Fund-Supported, General Obligation Bonds			
Freight Rail Preservation	$12,000,000	$30,000,000	$30,000,000
Harbor Assistance	14,100,000	39,000,000	32,000,000
High-Cost Bridge*	0	-10,000,000	-10,000,000
Major Interstate Bridges	0	27,000,000	27,000,000
Southeast Wisconsin Freeway Megaprojects	0	65,000,000	95,000,000
Subtotal	$26,100,000	$151,000,000	$147,000,000
Transportation Revenue Bonds			
Major Highway Development	$114,820,000	$133,174,600	$142,254,600
Administrative Facilities	9,080,000	9,080,000	0
Subtotal	$123,900,000	$142,254,600	$142,254,600
General Fund-Supported, General Obligation Bonds			
Southeast Wisconsin Freeway Megaprojects	$252,400,000	$0	$0
Passenger Rail Development**	0	45,000,000	10,000,000
Subtotal	$0	$45,000,000	$10,000,000
Total	$402,400,000	$338,254,600	$326,254,600

*Bonds authorized for the Hoan Bridge project in Milwaukee County, which has been completed. The reduction would eliminate the remaining unused authority.

**Debt service paid under Building Commission's capital improvement and other public purposes debt service appropriation.

17. TRANSPORTATION REVENUE BOND AUTHORIZATION

Governor: The Governor's recommendation would provide transportation revenue bond authority of $142,254,600, reflecting the planned use of revenue bonds for major highway development projects (for fiscal effect, see "State Highway Program") and administrative facilities construction projects (for fiscal effect, see "Departmentwide") in the 2019-21 biennium.

In February, 2019, the Building Commission approved the issuance of $123,900,000 of previously authorized, but unissued transportation revenue bonds. Following the issuance of these bonds (before accounting for any potential premiums), the remaining revenue bond authority is expected to total $86,306,000. This balance, along with the Governor's recommended increase in revenue bond authority, would result in the availability of $228,560,600 in ongoing authority. Of this total, $142,254,600 would be appropriated in the 2019-21 biennium, as follows: (a) $66,587,300 annually for the major highway development program; and (b) $4,540,000 annually for administrative facility construction projects. Estimated debt service associated with previously authorized bonds, as well as this new bonding authority, are shown in a separate item.

Joint Finance: Authorize the entire $142,254,600 in revenue bonds recommended by the Governor for major highway development projects. Require DOT to use up to $9,080,000 of existing revenue bond authority or proceeds to fund administrative funding projects.

18. TRANSPORTATION-RELATED DEBT SERVICE SUMMARY

This item summarizes the transportation fund-supported and general fund-supported debt service on transportation-related bonds under current law and the Joint Finance version of the bill.

Transportation Fund-Supported. Estimated transportation fund-supported debt service on previously authorized bonds and the bonds authorized in the biennium would total $391,102,400 in 2019-20 and $412,542,700 in 2020-21. Reestimates of existing transportation fund-supported debt service on bonds issued for transportation purposes are shown in separate entries. The following table provides information on the estimates of transportation fund-supported debt service levels for each year of the 2017-19 biennium, as well for each year of the 2019-21 biennium under Joint Finance. Gross transportation fund revenue includes revenues from the transportation tax and fee increases for the 2019-21 biennium under the Joint Finance version of the bill.

Gross Transportation Fund Revenue*
(Excluding Federal Aid, Bond Revenue, and Transfers from Other Funds)
and Transportation Fund-Supported Debt Service
($ in Millions)

Fiscal Year	Transportation Fund Debt Service	Gross Transportation Fund Revenue	Debt Service as % of Revenue
2017-18	$357.6	$1,913.6	18.7%
2018-19	373.2	1,933.0	19.3
2019-20	391.1	2,124.6	18.4
2020-21	412.5	2,231.4	18.5

*Revenue is shown before the payment of revenue bond debt service.

Note: Debt service and revenue values shown for 2017-18 are actual, while those values for other years are estimated and reflect the provisions of the Joint Finance version of the bill.

General Fund-Supported. General fund-supported debt is not included in the above calculation of transportation fund-supported debt service as a percentage of transportation revenue. The reestimate of existing general fund-supported debt service on bonds issued for transportation purposes ($120.1 million in 2019-20 and $120.3 million in 2020-21) is shown in a separate entry.

19. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE

SEG-REV $38,603,400

Governor/Joint Finance: Decrease estimated transportation fund revenue by $11,687,800 in 2019-20 and $26,915,600 in 2020-21 to reflect increases in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on transportation revenue bonds. Of these amounts, $889,100 in 2019-20 and $6,596,500 in 2020-21 relate to the revenue bonds that would be authorized under the bill for major highway development purposes.

Revenue bond debt service is primarily paid from vehicle registration revenue prior to that revenue being deposited in the transportation fund. Consequently, these debt service payments are

considered negative revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2018-19 is estimated at $213,447,300, an amount that is projected to increase under the bill, as modified, to an estimated $225,135,100 in 2019-20 and $240,362,900 in 2020-21.

20. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY AND HIGH-COST BRIDGE PROJECTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$6,399,000	$100,100	$6,499,100

Governor: Increase estimated transportation fund-supported, general obligation bond debt service by $2,219,500 in 2019-20 and $4,179,500 in 2020-21 associated with existing bonds authorized for southeast Wisconsin freeway reconstruction and high-cost bridge projects. Base funding for these appropriations is $93,363,700, and would increase to $95,583,200 in 2019-20 and $97,543,200 in 2020-21 under this reestimate.

Reestimate debt service as follows: (a) increase debt service due on existing bonds by $2,219,500 in 2019-20 and $4,073,300 in 2020-21; (b) increase debt service for bonds authorized in the bill for the Zoo Interchange project by $106,200 in 2020-21.

Joint Finance: Increase estimated debt service by $100,100 in 2020-21 to reflect the higher bonding level for the Zoo Interchange project as compared to the bill. [The Joint Finance version of the bill would authorize $30 million more in bonds for this project.]

21. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS

SEG	$2,693,200

Governor/Joint Finance: Decrease funding by $878,100 in 2019-20 and increase funding by $3,571,300 in 2020-21 to fund the estimated transportation fund-supported, general obligation bond debt service associated with existing bonds authorized for state highway rehabilitation and major highway development projects. No new bonds would be authorized associated with this bonding purpose under the bill. Base funding for this appropriation is $12,546,100, and would decrease to $11,668,000 in 2019-20 and increase to $16,117,400 in 2020-21 under this reestimate.

22. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$3,993,700	- $82,700	$3,911,000

Governor: Increase estimated transportation fund-supported, general obligation bond debt service by $2,104,000 in 2019-20 and $1,889,700 in 2020-21 associated with existing bonds authorized for state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities and with those bonds that would be authorized under the bill. Combined base funding for these appropriations is $56,612,100, and would increase to $58,716,100 in 2019-20 and $58,501,800 in 2020-21 under this reestimate.

Reestimate debt service as follows: (a) increase debt service due on existing bonds by $2,104,000 in 2019-20 and $1,151,300 in 2020-21; and (b) increase debt service due for the following bond purposes authorized under the bill by $405,300 in 2020-21 for harbor assistance, by $311,800 in 2020-21 for freight rail preservation, and by $21,300 in 2020-21 for major interstate bridge reconstruction.

Joint Finance: Reduce estimated debt service for harbor assistance bonds by $82,700 in 2020-21. [The Joint Finance version of the bill would authorize $7,000,000 less in bonds for the harbor assistance program.]

23. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE

GPR	$16,423,400

Governor/Joint Finance: Increase funding by $8,144,200 in 2019-20 and by $8,279,200 in 2020-21 to fund the reestimated debt service associated with existing general fund-supported, general obligation bonds authorized for state highway projects in previous biennia. None of the general fund-supported bonds authorized under the bill would affect the Department's GPR debt service appropriations. Base funding for this appropriation is $111,794,800, and would increase to $120,119,000 in 2019-20 and $120,254,000 in 2020-21.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS [LFB Paper 710]

SEG	$66,182,700

Governor/Joint Finance: Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by $2,777,400 in 2019-20 and $11,109,400 in 2020-21

to fund a 10.0% increase to the calendar year general transportation aid distribution for counties for 2020 and thereafter. The current calendar year distribution for counties is currently equal to $111,093,800. This would provide a calendar year distribution amount for counties equal to $122,203,200 for 2020 and thereafter.

b. *Municipal Aid.* Increase funding by $17,432,000 in 2019-20 and $34,863,900 in 2020-21 to fund a 10.0% increase to the calendar year general transportation aid distribution for municipalities for 2020 and thereafter. The current calendar year distribution level for municipalities is currently equal to $348,639,300. This would provide a calendar year distribution amount for municipalities equal to $383,503,200 for 2020 and thereafter. Increase the mileage aid rate by 10.0% (from its current level of $2,389 per mile) to $2,628 per mile for calendar year 2020 and thereafter.

There are two basic formulas by which general transportation aid is distributed: (a) share of costs aid; and (b) mileage aid. Counties receive only share of costs aid, while municipalities (including towns) receive payments based on either share of costs aid or mileage aid, whichever is greater. Share of costs aid amounts are computed by multiplying each community's six-year average highway-related costs (2012 through 2017 for 2019 payments) by a statewide average cost-sharing percentage. Mileage aid (mostly received by towns) is computed by multiplying the number of miles of road or street under the jurisdiction of each municipality by a specified mileage rate.

Delete the statutory references to prior calendar year funding amounts for counties and municipalities, as well as the prior year mileage aid rate amounts for municipalities.

2. COUNTY FOREST ROAD AID

SEG	$71,800

Joint Finance: Provide $35,900 annually to the appropriation for county forest road aid and increase the rate per mile provided to counties eligible for this program to $351 per mile (from $336 per mile). Specify that these provisions would first apply on the day after publication of the biennial budget act.

3. MASS TRANSIT OPERATING ASSISTANCE [LFB Paper 711]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$13,842,400	- $11,073,900	$2,768,500

Governor: Provide $2,768,600 in 2019-20 and $11,073,800 in 2020-21 to provide a 10% increase in mass transit operating assistance to each tier of mass transit systems for calendar year 2020 and thereafter. Specify that the increase in funding would be distributed as follows: (a) $1,604,900 in 2019-20 and $6,419,400 in 2020-21 for Tier A-1 (Milwaukee County); (b) $421,700 in 2019-20 and $1,686,800 in 2020-21 for Tier A-2 (Madison); (c) $612,200 in 2019-20 and $2,448,700 in 2020-21 for Tier B transit systems (systems serving a population of 50,000 or more

that are not in Tiers A-1 or A-2); and (d) $129,800 in 2019-20 and $518,900 in 2020-21 for Tier C transit systems (systems serving areas with population between 2,500 and 50,000).

Set the statutory calendar year distribution amounts for 2020 and thereafter at $70,613,300 for Tier A-1, $18,554,800 for Tier A-2, $26,935,400 for Tier B, and $5,707,800 for Tier C.

Joint Finance: Decrease funding compared to the Governor by $2,214,900 in 2019-20 and $8,859,000 in 2020-21. This would provide an increase in base funding of $553,700 in 2019-20 and $2,214,800 in 2020-21 to provide a 2% increase in mass transit operating assistance to each tier of mass transit systems for calendar year 2020 and thereafter. Specify that the increase in funding would be distributed as follows: (a) $321,000 in 2019-20 and $1,283,900 in 2020-21 for Tier A-1; (b) $84,300 in 2019-20 and $337,400 in 2020-21 for Tier A-2; (c) $122,400 in 2019-20 and $489,700 in 2020-21 for Tier B transit systems; and (d) $26,000 in 2019-20 and $103,800 in 2020-21 for Tier C transit systems.

Set the statutory calendar year distribution amounts for 2020 and thereafter at $65,477,800 for Tier A-1, $17,205,400 for Tier A-2, $24,976,400 for Tier B, and $5,292,700 for Tier C.

4. TRANSIT CAPITAL ASSISTANCE GRANTS [LFB Paper 711]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$10,000,000	- $10,000,000	$0

Governor: Provide $10,000,000 in 2020-21 to a newly-created continuing SEG appropriation for transit capital assistance grants. Require DOT to administer a transit capital assistance grant program and award grants to eligible applicants for the replacement of public transit vehicles. Specify that DOT would be required to establish criteria for awarding grants under the newly-created transit capital assistance grant program. This would establish base level funding at $10,000,000 annually for these grants in future biennia.

Define "eligible applicant" to mean a local public body in an urban area that is served by an urban mass transit system incurring an operating deficit. Specify that "public transit vehicle" would mean any vehicle used for providing transportation service to the general public that is eligible for replacement as an eligible mitigation action established under the Volkswagen settlement.

Joint Finance: Delete provision.

5. SENIORS AND INDIVIDUALS WITH DISABILITIES AIDS [LFB Paper 712]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$6,000,000	- $3,000,000	$3,000,000

Governor: Provide $3,000,000 annually for the seniors and individuals with disabilities specialized assistance program. This would increase funding from $912,700 in base funding to $3,912,700 annually. State specialized assistance funding supplements federal section 5310 funding (enhanced mobility of seniors and individuals with disabilities program) to aid eligible applicants in Wisconsin's rural and small urban areas with transit capital and operating projects that serve seniors and individuals with disabilities.

The administration indicates that it intended to provide this $3,000,000 annually for the seniors and individuals with disabilities county assistance program. If the county assistance funding change had been included in the bill, it would have increased funding from $14,477,800 in base funding to $17,477,800 annually for a 20.7% increase in the county assistance appropriation. The bill would have to be modified to incorporate this intent.

Joint Finance: Delete the Governor's recommendation and instead provide $1,500,000 annually for the seniors and individuals with disabilities county assistance program rather than the specialized assistance program. This would increase annual funding from $14,477,800 in base funding to $15,977,800 annually for a 10.4% increase in the county assistance appropriation.

6. TRANSPORTATION EMPLOYMENT AND MOBILITY [LFB Paper 713]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,000,000	- $500,000	$500,000

Governor: Provide $500,000 annually to the Department's transportation employment and mobility continuing appropriation. This would increase funding from $332,600 in base funding to $832,600 annually. Under current law, DOT may award grants from this appropriation to public and private organizations for the development and implementation of demand management, ride-sharing, and job access and employment transportation assistance programs. Currently, the Wisconsin employment transportation assistance program (WETAP) is funded from this appropriation. WETAP is an annual competitive grant program that combines both state and federal funding for transit systems and organizations that assist low-income individuals in getting to work.

Joint Finance: Modify the Governor's recommendation to provide $250,000 annually to the Department's transportation employment and mobility continuing appropriation.

7. PARATRANSIT AIDS

SEG	$550,000

Governor/Joint Finance: Provide $275,000 annually to provide a 10% increase for paratransit aid. This would increase funding from $2,750,000 in base funding to $3,025,000 annually. Under current law, DOT is required to provide paratransit aid to assist eligible urban mass transit operating assistance recipients with the provision of paratransit service required under the Americans with Disabilities Act. In awarding the paratransit grants to eligible urban mass

transit systems, the Department must: (a) maximize the level of paratransit service provided by those systems; and (b) give priority to eligible applicants for the maintenance of paratransit service provided on July 1, 2011.

8. TRIBAL ELDERLY TRANSPORTATION GRANT PROGRAM

PR	$79,200

Governor/Joint Finance: Provide $39,600 annually to the 11 federally recognized Wisconsin tribes with additional financial assistance for the provision of transportation service to tribal elders on and off tribal reservations. This would increase funding from $396,000 in base funding to $435,600 annually. Funding for the program is transferred from the DOA's Indian gaming appropriation, to which gaming revenues are deposited, to DOT's grant appropriation. Any increase in Indian gaming receipts not otherwise credited to agency appropriation accounts are deposited in the general fund. Therefore, an increase in funding for DOT's tribal elderly transportation grant program will result in a decrease in monies deposited in the state's general fund (see "Administration -- Division of Gaming" for the general fund fiscal effect).

Local Transportation Assistance

1. LOCAL ROADS IMPROVEMENT PROGRAM -- SEG FUNDING [LFB Paper 720]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,915,200	- $1,915,200	$0

Governor: Provide the following increases to the local roads improvement program (LRIP): (a) $323,900 in 2019-20 and $654,300 in 2020-21 for the formula allocation component of the program; (b) $303,300 in 2019-20 and $633,700 in 2020-21 for the discretionary grants component of the program.

For the discretionary portion of the program, specify that the SEG funding be allocated as follows: (a) $176,000 in 2019-20 and $295,000 in 2020-21 for counties; (b) $17,300 in 2019-20 and $99,900 in 2020-21 for municipalities (cities and villages); and (c) $110,000 in 2019-20 and $238,800 in 2020-21 for towns. [By statute, the formula allocation is determined on a percentage basis as shown in the table below.]

Set the annual statutory distributions of discretionary LRIP funding at the following amounts: (a) $5,569,400 in 2019-20, and $5,688,400 in 2020-21 for counties; (b) $3,867,700 in 2019-20 and $3,950,300 in 2020-21 for municipalities; and (c) $6,033,600 in 2019-20, and $6,162,400 in 2020-21 for towns. The table below reflects biennial funding for LRIP for 2017-19 and under the recommended 2019-21 funding level for these program components.

Current Law and Governor's Recommended Biennial LRIP Funding

	2017-19	2019-21	Difference	% Change
Formula-Based Allocation*				
Counties (43%)	$15,191,728	$15,612,328	$420,600	2.8%
Municipalities (28.5%)	10,068,936	10,347,736	278,800	2.8
Towns (28.5%)	10,068,936	10,347,736	278,800	2.8
Total Formula Funds	$35,329,600	$36,307,800	$978,200	2.8%
Discretionary Allocation				
Counties	$10,786,800	$11,257,800	$471,000	4.4%
Municipalities	7,700,800	7,818,000	117,200	1.5
Towns	11,847,200	12,196,000	348,800	2.9
Total Discretionary Funds	$30,334,800	$31,271,800	$937,000	3.1%
Biennial Program Total	$65,664,400	$67,579,600	$1,915,200	2.9%

*Does not include $401,600 from the formula-based allocation supports 3.0 positions in DNR for the environmental review of local road projects under current law and under the bill. This amount is deducted from the total prior to calculating the percentage-based formula allocations shown in the top section of the table.

LRIP provides discretionary and formula-based grants through separate appropriations of state funds. These grants are provided on a biennial basis for capital improvements on existing county, town, and municipal roads and for feasibility studies for such improvements. For the purposes of the program, a capital improvement is defined as a project with a projected design life of at least 10 years. Grants may cover up to 50% of the total project cost, with the balance being provided, generally, by the local recipient. All costs of improvements are initially the responsibility of the local government. Upon completion of a project, a local government can apply to DOT for reimbursement of up to 50% of the project costs.

Joint Finance: Delete provision.

2. LOCAL ROADS IMPROVEMENT PROGRAM -- GPR FUNDING [LFB Paper 720]

GPR	$90,000,000

Joint Finance: Provide $90,000,000 GPR in 2019-20 to a newly-created GPR appropriation that would be used to fund local government project costs that would be eligible for program funding under the current law the local roads improvement program discretionary component, to be allocated as follows: (a) $32,003,200 for county projects; (b) $22,847,400 for municipalities; and (c) and $35,149,400 for towns. Specify that notwithstanding local road improvement program cost-sharing requirements, that a required local project cost match of 10% of total project cost would apply to project submitted for funding under the GPR appropriation. Require DOT to solicit project applications for this funding, beginning in 2019-20, until the funds appropriated have been expended. Provide DOT the authority to promulgate administrative rules for this purpose. Because the funding would be provided in 2019-20, there would be no ongoing base level funding for this supplemental program component.

3. LOCAL BRIDGE ASSISTANCE PROGRAM EARMARK -- CITY OF KAUKAUNA

Joint Finance: Provide a local bridge assistance program grant to the City of Kaukauna in 2019-20, notwithstanding the statutory requirements of this program. Specify that this grant would be used for Veteran's Memorial Lift Bridge and would fund 80% of the remaining project costs.

4. HARBOR ASSISTANCE PROGRAM -- FUNDING [LFB Paper 721]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$13,200,000	$0	$13,200,000
BR	39,000,000	- 7,000,000	32,000,000
Total	$52,200,000	- $7,000,000	$45,200,000

Governor: Provide 2019-21 harbor assistance program funding of $52,200,000, as follows: (a) $13,200,000 SEG in 2019-20; and (b) $39,000,000 BR in transportation fund-supported, general obligation bonds. This recommendation would be a $38,100,100 increase in funding compared to the program's 2017-19 biennial budget, which provided $14,100,000 in transportation fund-supported bonds. Base program funding of $493,800 SEG annually also exists to help fund project costs.

Estimated transportation fund-supported, general obligation bond debt service associated with the partial issuance of these bonds would increase by $405,300 SEG in 2020-21, as shown under a separate item (see "Transportation Finance").

Joint Finance: Reduce the harbor assistance bond authorization by $7,000,000 as compared to the bill. Estimated debt service would be reduced, as compared to the bill, by $82,700 in 2020-21, as shown under a separate item (see "Transportation Finance").

5. HARBOR ASSISTANCE PROGRAM -- SHIPBUILDER GRANT PRIORITY FOR 2019-21 [LFB Paper 721]

Governor/Joint Finance: Require, when making grant awards from the harbor assistance program in the 2019-21 biennium, notwithstanding the eligibility criteria of the program, that DOT give priority to municipalities in which a shipbuilder in this state is conducting operations. Although not specified in the bill, the administration indicates that this provision is intended to apply to Marinette Marine, a subsidiary of Fincantieri Marine Group. The administration indicates that up to $29.0 million of the recommended 2019-21 funding for the harbor assistance program may be awarded under this provision.

6. FREIGHT RAIL PRESERVATION PROGRAM [LFB Paper 722]

BR	$30,000,000

Governor/Joint Finance: Authorize $30,000,000 in transportation fund-supported, general obligation bonds for the freight rail preservation program. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. The amount of bonds authorized would be $18,000,000 more than the $12,000,000 in bonds provided under the 2017-19 biennial budget. Estimated transportation fund-supported, general obligation bond debt service associated with the partial issuance of these bonds, which would increase by $311,800 in 2020-21, is shown under a separate item (see "Transportation Finance").

7. INTERMODAL FACILITIES GRANTS

Joint Finance: Require DOT to provide up to $1,500,000 to applicants for intermodal freight facilities grants from the freight rail infrastructure improvement program revolving loan fund balance in the 2019-21 biennium, notwithstanding the statutory requirements of that program related to project eligibility and loan repayment. Modify the purposes of the existing freight rail infrastructure improvement program appropriation to allow for the payment of these grants. Provide DOT authority to award grants for intermodal freight facilities that are determined to have a public purpose. Specify that a grant may be for purposes of planning, design, feasibility analysis, construction, or any other related purpose. Effective on July 1, 2021 and thereafter, add intermodal freight facilities to the list of freight rail preservation program project types eligible for the bond funding provided to that program.

8. PASSENGER RAIL DEVELOPMENT PROGRAM [LFB Paper 723]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$45,000,000	- $35,000,000	$10,000,000
SEG	0	25,000,000	25,000,000
Total	$45,000,000	- $10,000,000	$35,000,000

Governor: Provide $45,000,000 in general fund-supported, general obligation bonding authority for the passenger rail route development program. The administration indicates that the additional funding would be used to fund rail improvements to Amtrak's Hiawatha line, which travels between Milwaukee and Chicago.

Under current law, $79,000,000 is authorized for passenger rail development projects, of which $11,569,800 remains unissued. DOT is required to administer a rail passenger route development program funded from these bond proceeds. The primary allowed use of these funds is for capital costs related to Amtrak service extension routes or other rail service routes between certain cities (including between the cities of Milwaukee and Chicago). Under the program, DOT is not allowed to use any bond proceeds unless the Joint Committee on Finance approves the use

of the proceeds. Also, with respect to any allowed passenger route development project, the Department is required to submit evidence to the Joint Committee on Finance that Amtrak, or the applicable railroad, has agreed to provide rail passenger service on that route.

Bonds issued for this purpose are repaid from a Building Commission GPR debt service appropriation used to repay bonds issued for capital improvements and other public purposes. Estimated annual debt service on the bonds authorized to date is $1,327,600 in 2019-20 and $1,511,700 in 2020-21. An increase of $288,300 in 2020-21 in GPR debt service associated with the partial issuance of this $45,000,000 in bonds is reflected in a separate item (see "Building Commission").

Joint Finance: Decrease funding compared to the Governor's recommendation by $10,000,000 to provide $35,000,000 in passenger rail service development funding comprised of: (a) $10,000,000 BR in general fund-supported, general obligation bonding authority; and (b) $25,000,000 SEG in 2019-20. Funding would be used to fund improvements needed to add additional passenger rail service on the Hiawatha line. Decrease estimated debt service by $224,200 compared to the Governor's recommendations for a net increase of $64,100 in 2020-21 in debt service associated with the partial issuance of the $10,000,000 in bonds, which is reflected in a separate item (see "Building Commission").

9. RAILROAD CROSSING AND REPAIR [LFB Paper 724]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$930,600	- $465,400	$465,200

Governor: Increase funding by $465,300 annually to fund railroad crossing and repair reimbursement claims. Current law provides that any railroad company that receives notice from the Department to repair an at-grade crossing surface may file a claim for reimbursement with DOT for up to 85% of the eligible costs. The administration indicates that the recommendation would assist in addressing a backlog of projects eligible for funding through this program. Along with base level funding of $234,700, this funding would provide a total $700,000 annually for rail crossing and repair reimbursement claims.

Joint Finance: Reduce the Governor's recommendations by $232,700 annually, which would provide a $232,600 annual increase in base funding. This action, when combined with base level funding, would provide $467,300 annually to the program.

10. AERONAUTICS AIR TRAFFIC CONTROL SYSTEM [LFB Paper 725]

SEG	$2,000,000

Governor/Joint Finance: Increase funding by $1,000,000 annually for the aeronautics assistance program to assist local airports in their conversion to "Next Generation Air Traffic Control Systems." This is a federal initiative led by the Federal Aviation Administration and

includes planning and implementation of new technologies (such as use of satellite-based technologies in place of radar) and airspace procedures.

The aeronautics assistance appropriation funds the state's share of the design and construction costs of airport improvement projects, which are primarily funded with federal (and local) funds. The base level funding for the state aeronautics assistance appropriation is $13,336,500.

11. REPEAL PROHIBITION ON USE OF CONDEMNATION AUTHORITY FOR RECREATIONAL AND PEDESTRIAN TRAILS

Governor: Repeal the provisions enacted under 2017 Act 59 that prohibit the use of condemnation authority for recreational trails, state trails, bicycle lanes and ways, and pedestrian ways. Current law prohibits the use of general eminent domain authority, as well as specific state (DNR and DOT) and local government eminent domain authority (county and municipal), for these purposes.

Joint Finance: Delete provision.

12. REPEAL 2017 ACT 368 LOCAL TRANSPORTATION PROJECT PROVISIONS

Governor: Repeal the following 2017 Act 368 local transportation program requirements: (a) the requirement that DOT notify a political subdivision of whether the aid provided to each subdivision includes federal moneys and which project components must be paid for with federal moneys, if any; (b) the requirement that any local project funded in whole or in part with state funds under the surface transportation urban and rural programs, or under the local bridge program, be let through competitive bidding and by contract to the lowest responsible bidder; and (c) the requirement that for any local project meeting both of the following criteria, DOT may not require a local government to comply with any portion of the Department's facilities development manual other than design standards: (1) the project proposal is reviewed and approved by a professional engineer or by the highway commissioner for the county in which the project will be located; and (2) the project is conducted by a political subdivision with no expenditure of federal money.

Repeal the definitions of a local bridge, local roads, political subdivision, and a project created under Act 368 associated with the above provisions. These provisions are currently scheduled to first apply to projects let and aid disbursed on July 1, 2019.

Joint Finance: Delete provision.

State Highway Program

The following tables compare total funding for state highway improvement programs in 2018-19 with the Governor's 2019-21 recommendation for those programs in the 2019-21 biennium and under the Joint Finance version of the bill. Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables show the 2018-19 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2018-19.

State Highway Improvement Program --
Base Year to Governor's Recommendation Comparison

Fund	2018-19 Base Plus Bonds	Governor* 2019-20	Governor* 2020-21	Change to Base Base Plus Bonds Doubled Amount	Change to Base Base Plus Bonds Doubled % Change
SEG	$421,099,900	$547,953,900	$717,953,900	$423,708,000	50.3%
FED	665,557,000	654,430,300	649,430,300	-27,253,400	-2.0
Bonds	192,787,300	102,587,300	112,587,300	-170,400,000	-44.2
Total	$1,279,444,200	$1,304,971,500	$1,479,971,500	$226,054,600	8.8%

Note: Amounts shown in 2019-21 comprise all state highway improvement program recommendation items, including standard budget adjustments.

State Highway Improvement Program --
Base Year to Joint Finance Action Comparison

Fund	2018-19 Base Plus Bonds	Joint Finance 2019-20	Joint Finance 2020-21	Change to Base Plus Bonds Doubled Amount	Change to Base Plus Bonds Doubled % Change
SEG	$421,099,900	$563,211,200	$593,167,200	$314,178,600	37.3%
FED	665,557,000	654,430,300	649,430,300	-27,253,400	-2.0
Bonds	192,787,300	107,127,300	147,127,300	-131,320,000	-34.1
Existing Revenue Bonds	0	15,460,000	15,460,000	30,920,000	N.A.
Total	$1,279,444,200	$1,340,228,800	$1,405,184,800	$186,525,200	7.3%

Note: Amounts shown in 2019-21 comprise all state highway improvement program recommendation items, including standard budget adjustments.

The following tables compare total funding for state highway improvement programs in the 2017-19 biennium with the Governor's 2019-21 budget recommendation and under the Joint Finance version of the bill, including standard budget adjustments. The tables show total biennial program resources by funding type and the percentage change to the composition of program funding.

State Highway Improvement Program Summary -- 2017-19 to Governor's Budget Recommendation Comparison

Fund	2017-19	2019-21 Governor	Biennial Change in Resources	% Change
SEG	$840,297,000	$1,265,907,800	$425,610,800	50.7%
FED	1,525,959,400	1,303,860,600	-222,098,800	-14.6
Bonds	367,220,000	215,174,600	-152,045,400	-41.4
Total	$2,733,476,400	$2,784,943,000	$51,466,600	1.9%

State Highway Improvement Program Component Summary -- 2017-19 to Joint Finance Action Comparison

Fund	2017-19	2019-21 Joint Finance	Biennial Change in Resources	% Change
SEG	$840,297,000	$1,156,378,400	$316,081,400	37.6%
FED	1,525,959,400	1,303,860,600	-222,098,800	-14.6
Bonds	367,220,000	254,254,600	-112,965,400	-30.8
Existing Revenue Bonds (SEG-S)	0	30,920,000	30,920,000	N.A.
Total	$2,733,476,400	$2,745,413,600	$11,937,200	0.4%

State Highway Improvement Program Component Summary -- 2017-19 to Governor's Budget Recommendation Comparison

	2017-19	2019-21 Governor	Biennial Change in Resources	% Change
State Highway Rehabilitation				
SEG	$740,604,700	$1,086,365,400	$345,760,700	46.7%
FED	885,552,500	791,448,200	-94,104,300	-10.6
Total	$1,626,157,200	$1,877,813,600	$251,656,400	15.5%
Major Highway Development				
SEG	$73,543,900	$46,223,200	-$27,320,700	-37.1%
FED	375,336,100	378,802,200	3,466,100	0.9
Trans. Revenue Bonds (SEG-S)	114,820,000	133,174,600	18,354,600	16.0
Total	$563,700,000	$558,200,000	-$5,500,000	-1.0%
SE Wis. Freeway Megaprojects				
SEG	$18,148,400	$133,319,200	$115,170,800	634.6%
FED	265,070,800	133,610,200	-131,460,600	-49.6
Gen. Ob. Bonds (GPR)	252,400,000	0	-252,400,000	-100.0
Gen. Ob. Bonds (SEG)	0	65,000,000	65,000,000	N.A.
Total	$535,619,200	$331,929,400	-$203,689,800	-38.0%
Major Interstate Bridge				
SEG	$8,000,000	$0	-$8,000,000	-100.0%
Gen. Ob. Bonds (SEG)	0	27,000,000	27,000,000	N.A.
Total	$8,000,000	$27,000,000	$19,000,000	237.5%
High-Cost Bridge				
Gen. Ob. Bonds (SEG)	$0	-$10,000,000	-$10,000,000	N.A.
Total	$2,733,476,400	$2,784,943,000	$51,466,600	1.9%

Note: Amounts shown are inclusive of adjustments to the 2018-19 base and standard budget adjustments.

State Highway Improvement Program Component Summary -- 2017-19 to Joint Finance Action Comparison

	2017-19	2019-21 Joint Finance	Biennial Change in Resources	% Change
State Highway Rehabilitation				
SEG	$740,604,700	$1,040,836,000	$300,231,300	40.5%
FED	885,552,500	896,977,600	11,425,100	1.3
Total	$1,626,157,200	$1,937,813,600	$311,656,400	19.2%
Major Highway Development				
SEG	$73,543,900	$52,223,200	-$21,320,700	-29.0%
FED	375,336,100	338,802,200	-36,533,900	-9.7
Trans. Revenue Bonds	114,820,000	142,254,600	27,434,600	23.9
Existing Revenue Bonds (SEG-S)	0	30,920,000	30,920,000	N.A.
Total	$563,700,000	$564,200,000	$500,000	0.1%
SE Wis. Freeway Megaprojects				
SEG	$18,148,400	$63,319,200	$45,170,800	248.9%
FED	265,070,800	68,080,800	-196,990,000	-74.3
Gen. Ob. Bonds (GPR)	252,400,000	0	-252,400,000	-100.0
Gen. Ob. Bonds (SEG)	0	95,000,000	95,000,000	N.A.
Total	$535,619,200	$226,400,000	-$309,219,200	-57.7%
Major Interstate Bridge				
SEG	$8,000,000	$0	-$8,000,000	-100.0%
Gen. Ob. Bonds (SEG)	0	27,000,000	27,000,000	N.A.
Total	$8,000,000	$27,000,000	$19,000,000	237.5%
High-Cost Bridge	$0	-$10,000,000	-$10,000,000	N.A.
Total	$2,733,476,400	$2,745,413,600	$11,937,200	0.4%

Note: Amounts shown are inclusive of adjustments to the 2018-19 base and standard budget adjustments.

1. STATE HIGHWAY REHABILITATION PROGRAM [LFB Paper 730]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$320,000,000	- $45,529,400	$274,470,600
FED	- 60,000,000	105,529,400	45,529,400
Total	$260,000,000	$60,000,000	$320,000,000

Governor: Make the following changes to the state highway rehabilitation program's funding in order to provide a 2019-21 funding level of $1,877,813,600: (a) an increase $120,000,000 SEG in 2019-20 and $200,000,000 SEG in 2020-21; and (b) a decrease of $60,000,000 FED in 2020-21. Standard budget adjustment reductions of $2,928,800 SEG annually and $813,900 FED annually are reflected in a separate item (see "Departmentwide").

The following tables compare the base year (2018-19) and 2017-19 biennium's state highway rehabilitation program funding with the 2019-21 biennial funding level recommended by the Governor.

State Highway Rehabilitation Program --
Base Funding to Governor's Recommendation Comparison

Fund	2018-19 Base	Governor* 2019-20	Governor* 2020-21
SEG	$386,111,500	$503,182,700	$583,182,700
FED	426,538,000	425,724,100	365,724,100
Total	$812,649,500	$928,906,800	$948,906,800

* Includes $2,509,200 SEG and $2,493,300 FED associated with adjustments to the 2018-19 base funding amount and standard budget adjustments.

State Highway Rehabilitation Program Funding --
2017-19 to 2019-21 Governor's Recommendation Comparison

Fund	2017-19: 2017-18	2017-19: 2018-19	2017-19: Biennial Total
SEG	$357,002,400	$383,602,300	$740,604,700
FED	461,507,800	424,044,700	885,552,500
Total	$818,510,200	$807,647,000	$1,626,157,200

Fund	Governor -- 2019-21*: 2019-20	Governor -- 2019-21*: 2020-21	Governor -- 2019-21*: Biennial Total
SEG	$503,182,700	$583,182,700	$1,086,365,400
FED	425,724,100	365,724,100	791,448,200
Total	$928,906,800	$948,906,800	$1,877,813,600
% Change in Resources			15.5%

*Includes $2,509,200 SEG and $2,493,300 FED annually associated with adjustment to the 2018-19 base funding amount and standard budget adjustments.

Joint Finance: Increase funding by $60,000,000 in the 2019-21 biennium compared to the Governor's recommendations in order to provide state highway rehabilitation program funding level of $1,937,813,600 (as shown in the tables below): (a) decreases of $3,742,700 SEG in 2019-20 and $41,786,700 SEG in 2020-21; and (b) increases of $20,000,000 FED in 2019-20 and $85,529,400 in 2020-21. [Standard budget adjustment reductions of $2,928,800 SEG annually and $813,900 FED annually are shown in a separate item (see "Departmentwide").]

State Highway Rehabilitation Program --
Base Funding to Joint Finance Action Comparison

Fund	2018-19 Base	Joint Finance* 2019-20	Joint Finance* 2020-21
SEG	$386,111,500	$499,440,000	$541,396,000
FED	426,538,000	445,724,100	451,253,500
Total	$812,649,500	$945,164,100	$992,649,500

* Includes $2,509,200 SEG and $2,493,300 FED associated with adjustments to the 2018-19 base funding amount and standard budget adjustments.

State Highway Rehabilitation Program Funding --
2017-19 to 2019-21 Joint Finance Action Comparison

Fund Source	2017-19 2017-18	2017-19 2018-19	2017-19 Biennial Total
SEG	$357,002,400	$383,602,300	$740,604,700
FED	461,507,800	424,044,700	885,552,500
Total	$818,510,200	$807,647,000	$1,626,157,200

Fund Source	Joint Finance -- 2019-21* 2019-20	Joint Finance -- 2019-21* 2020-21	Joint Finance -- 2019-21* Biennial Total
SEG	499,440,000	541,396,000	$1,040,836,000
FED	445,724,100	451,253,500	896,977,600
Total	$945,164,100	$992,649,500	$1,937,813,600
% Change in Resources			19.2%

*Includes $2,509,200 SEG and $2,493,300 FED annually associated with adjustment to the 2018-19 base funding amount and standard budget adjustments.

2. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 731]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$0	$6,000,000	$6,000,000
FED	- 40,105,800	- 40,000,000	- 80,105,800
BR	133,174,600	9,080,000	142,254,600
SEG-S	0	40,000,000	40,000,000
Total	$93,068,800	$15,080,000	$108,148,800

Governor: Make the following changes to major highway development program funding

in order to provide a 2019-21 funding level of $558,200,000: (a) decreases of $21,752,900 FED in 2019-20 and $18,352,900 FED in 2020-21; and (b) authorization of $133,174,600 BR in transportation revenue bond authority.

Estimated reductions to transportation fund revenue, associated with the partial issuance of these bonds, of $832,300 in 2019-20, and $6,175,500 in 2020-21 is shown in a separate item (see "Transportation Finance"). Standard budget adjustment reductions of $108,900 SEG annually and $240,800 FED annually are reflected in a separate item (see "Departmentwide").

The following tables compare the base year (2018-19) and 2017-19 biennium's major highway development program funding with the 2019-21 biennial funding level recommended by the Governor.

Major Highway Development Program --
Base Funding to Governor's Recommendation Comparison

	2018-19	Governor*	
Fund	Base Plus Bonds	2019-20	2020-21
SEG	$23,220,500	$23,111,600	$23,111,600
FED	209,694,800	187,701,100	191,101,100
Trans. Revenue Bonds (SEG-S)	66,587,300	66,587,300	66,587,300
Total	$299,502,600	$277,400,000	$280,800,000

* Includes $353,400 SEG and $518,600 FED associated with adjustments to the 2018-19 base funding amount and standard budget adjustments.

Major Highway Development Program Funding --
2017-19 to 2019-21 Governor's Recommendation Comparison

	2017-19		
Fund	2017-18	2018-19	Biennial Total
SEG	$50,676,800	$22,867,100	$73,543,900
FED	166,159,900	209,176,200	375,336,100
Trans. Revenue Bonds (SEG-S)	48,232,700	66,587,300	114,820,000
Total	$265,069,400	$298,630,600	$563,700,000

	Governor -- 2019-21*		
Fund	2019-20	2020-21	Biennial Total
SEG	$23,111,600	$23,111,600	$46,223,200
FED	$187,701,100	191,101,100	378,802,200
Trans. Revenue Bonds (SEG-S)	66,587,300	66,587,300	133,174,600
Total	$277,400,000	$280,800,000	$558,200,000
% Change in Resources			-1.0%

*Includes $353,400 SEG and $518,600 FED annually associated with adjustment to the 2018-19 base funding amount and standard budget adjustments.

Joint Finance: Make the following modifications to the Governor's recommendations in order to provide a 2019-21 major highway development program funding level of $564,200,000 (as shown in the table below), which is $6,000,000 higher than the Governor's recommendation: (a) increases $4,000,000 SEG in 2019-20 and $2,000,000 SEG in 2020-21; (b) a decrease of $20,000,000 FED annually; (c) an increase of $20,000,000 SEG-S annually (this provision would require DOT to use $30.9 million in existing revenue bond proceeds to fund project work); and (d) authorize an additional $9,080,000 in newly-authorized transportation revenue bonds (of the SEG-S provided under item "c," $9,080,000 would be associated with this bonding authorization). [Standard budget adjustment reductions of $108,900 SEG annually and $240,800 FED annually are shown in a separate item (see "Departmentwide.")]

Major Highway Development Program --
Base Funding to Joint Finance Action Comparison

Fund	2018-19 Base Plus Bonds	Joint Finance* 2019-20	Joint Finance* 2020-21
SEG	$23,220,500	$27,111,600	$25,111,600
FED	209,694,800	167,701,100	171,101,100
Trans. Revenue Bonds	66,587,300	71,127,300	71,127,300
Existing Bond Proceeds	0	15,460,000	15,460,000
Total	$299,502,600	$281,400,000	$282,800,000

* Includes $353,400 SEG and $518,600 FED associated with adjustments to the 2018-19 base funding amount and standard budget adjustments.

Major Highway Development Program --
2017-19 to 2019-21 Joint Finance Action Comparison

	2017-19		
	2017-18	2018-19	Biennial Total
SEG	$50,676,800	$22,867,100	$73,543,900
FED	166,159,900	209,176,200	375,336,100
Trans. Revenue Bonds	48,232,700	66,587,300	114,820,000
Total	$265,069,400	$298,630,600	$563,700,000

	Joint Finance -- 2019-21*		
Fund	2019-20	2020-21	Biennial Total
SEG	$27,111,600	$25,111,600	$52,223,200
FED	$167,701,100	$171,101,100	338,802,200
Trans. Revenue Bonds	71,127,300	71,127,300	142,254,600
Existing Bond Proceeds	15,460,000	15,460,000	30,920,000
Total	$281,400,000	$282,800,000	$564,200,000
% Change in Resources			0.1%

*Includes $353,400 SEG and $518,600 FED annually associated with adjustment to the 2018-19 base funding amount and standard budget adjustments.

Estimated project completion schedules for major highway development projects receiving funding under the Governor's recommended 2019-21 program funding level, and under the Joint Finance version of the bill, are shown in the following table.

Anticipated Major Highway Development Project Completion Dates
Under Governor's Recommendation and Joint Finance Action

Highway	Project Segment	Counties	Final Year of Expenditure	Completion Delay
Governor/Joint Finance				
USH 10/441	Winnebago CTH CB to Oneida Street	Outagamie, Calumet &Winnebago	2020	No Delay
STH 15	STH 76 to New London	Outagamie	2024	No Delay
USH 18/151	Verona Road/Madison Beltline	Dane	2021	No Delay
STH 23	STH 67 to USH 41	Sheboygan & Fond du Lac	2023	No Delay
I-39/90	Illinois State Line to USH 12/18	Dane & Rock	2021	*
STH 50	I-94 to 43rd Avenue	Kenosha	2023	No Delay
I-43	Silver Spring Drive to STH 60	Milwaukee & Ozaukee	**	**
Joint Finance				
I-41	STH K to CTH F	Brown & Outagamie	**	**

* It is not yet known when the beltline highway interchange (BIC) component of the I-39/90 project, which was part of this project's scope at the time of enumeration and is within the project's statutory boundaries, will be completed.

** These projects would be enumerated and would receive funding under the bill for each year of the biennium. The final design, cost, and completion date has yet to be determined.

Note: Anticipated completion dates indicates the final year of expenditure provided by DOT in the February, 2019, report to the Transportation Projects Commission (TPC), which typically succeeds the date the project is open to traffic.

3. ENUMERATION OF I-43 PROJECT IN MILWAUKEE AND OZAUKEE COUNTIES AS MAJOR HIGHWAY DEVELOPMENT PROJECT [LFB Paper 731]

Governor/Joint Finance: Enumerate I-43, extending approximately 14.3 miles between Silver Spring Drive in the City of Glendale and STH 60 in the Village of Grafton, in Milwaukee and Ozaukee counties, as a major highway development project.

A major highway development project is, with certain exceptions, any improvement project that either has a total cost in excess of $91,100,000, or, that has a total cost in excess of $36,400,000 and expands highway capacity. For this purpose, capacity expansion includes: (a) construction of a new highway of 2.5 miles or more in length; (b) relocation of 2.5 miles or more of existing roadway; (c) the addition of one or more lanes at least five miles in length; or (d) the improvement of 10 miles or more of an existing divided highway to freeway standards. Projects exceeding the

$91,100,000 threshold must either be enumerated in the statutes or approved by the Transportation Projects Commission prior to the Department beginning construction. Projects exceeding the $36,400,000 cost threshold, and meeting the capacity expansion definitions, must be enumerated in the statutes prior to construction. During 2017-19 budget deliberations, DOT estimated the project's inflation-adjusted cost as in the range of $565 million to $615 million. The Governor's budget recommendation, and the Joint Finance version of the bill, would include $17.3 million in 2019-20 and $38.6 million in 2020-21 for this project under the major highway development program's estimated schedule.

4. I-41 IN BROWN AND OUTAGAMIE COUNTIES -- MAJOR HIGHWAY DEVELOPMENT PROJECT

Joint Finance: Enumerate I-41, extending approximately 23 miles between STH 96 to CTH F in Brown and Outagamie counties, including local roads and interchanges as necessary for the completion of the project, as a major highway development project. Require DOT to construct an interchange with I-41 and local roads, near the intersection of Southbridge Road (which becomes French Road) and Creamery Road in Brown County as a component of this major highway development project. Under the major highway development program's funding level, $4.0 million in 2019-20 and $2.0 million in 2020-21 would be provided to fund the federal environmental review process and interchange access reports that would be necessary for this project to proceed. No project cost estimate is currently available as limited analysis of the project has been completed to date.

5. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS [LFB Paper 732]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$110,000,000	- $70,000,000	$40,000,000
FED	75,326,000	- 65,529,400	9,796,600
BR	65,000,000	30,000,000	95,000,000
Total	$250,326,000	- $105,529,400	$144,796,600

Governor: Make the following changes to the southeast Wisconsin freeway megaprojects program's funding in order to provide a 2019-21 funding level of $331,929,400: (a) increases of $10,000,000 SEG in 2019-20 and $100,000,000 SEG in 2020-21; (b) increases of $11,863,000 FED in 2019-20 and $63,463,000 FED in 2020-21; and (c) the authorization of $65,000,000 BR of transportation fund-supported, general obligation bonds for use on the Zoo Interchange project in Milwaukee County.

Estimated transportation fund-supported debt service associated with the partial issuance of these general obligations bonds in the biennium would be $106,200 in 2020-21 (shown in a separate item under "Transportation Finance"). Standard budget adjustment reductions of $108,300 SEG annually and $182,100 FED annually are also reflected in a separate item (see "Departmentwide").

The following tables compare the base year (2018-19) and 2017-19 biennium's southeast Wisconsin freeway megaprojects program funding with the 2019-21 biennial funding level recommended by the Governor.

Southeast Wisconsin Freeway Megaproject Program -- Base Funding to Governor's Recommendation Comparison

	2018-19	Governor*	
Fund	Base Plus Bonds	2019-20	2020-21
SEG	$11,767,900	$21,659,600	$111,659,600
FED	29,324,200	41,005,100	92,605,100
Gen. Ob. Bonds (GPR)	126,200,000	0	0
Gen. Ob. Bonds (SEG)	0	32,500,000	32,500,000
Total	$167,292,100	$95,164,700	$236,764,700

* Includes $107,800 SEG and $186,100 FED associated with adjustments to the 2018-19 base funding amount and standard budget adjustments.

Southeast Wisconsin Freeway Megaprojects Program Funding -- 2017-19 to 2019-21 Governor's Recommendation Comparison

	2017-19		
Fund	2017-18	2018-19	Biennial Total
SEG	$6,488,300	$11,660,100	$18,148,400
FED	235,932,700	29,138,100	265,070,800
Gen. Ob. Bonds (GPR)	126,200,000	126,200,000	252,400,000
Total	$368,621,000	$166,998,200	$535,619,200

	Governor - 2019-21*		
Fund	2019-20	2020-21	Biennial Total
SEG	$21,659,600	$111,659,600	$133,319,200
FED	41,005,100	92,605,100	133,610,200
Gen. Ob. Bonds (SEG)	32,500,000	32,500,000	65,000,000
Total	$95,164,700	$236,764,700	$331,929,400
% Change in Resources			-38.0%

*Includes $107,800 SEG and $186,100 FED annually associated with adjustment to the 2018-19 base funding amount and standard budget adjustments.

Note: The 2017-18 FED amount includes a one-time $160.0 million federal INFRA grant provided for use on the I-94 North-South freeway project.

As shown in the tables above, the bill would provide 2019-21 program funding of $331,929,400. This funding level would keep the north leg of the Zoo Interchange project on its current completion schedule (2023, under the February, 2019, TPC schedule). However, the amounts provided under the bill would provide more funding to the southeast Wisconsin freeway megaprojects program than DOT has indicated would be needed to fund this program's planned expenditures in the biennium. The administration indicates that it had intended that $60,000,000 SEG of these funds would instead be provided to the state highway rehabilitation program in 2020-21.

Joint Finance: Decrease funding by $105,529,400 in the biennium compared to the Governor in order to provide a southeast Wisconsin freeway megaprojects funding level of $226,400,000 as follows: (a) an increase of $15,000,000 SEG in 2019-20 and a decrease of $85,000,000 SEG in 2020-21; (b) a decrease of $65,529,400 FED in 2020-21; and (c) the authorization of an additional $30,000,000 BR of transportation fund-supported, general obligation bonds for use on the Zoo Interchange project in Milwaukee County. As compared to the bill, increase estimated transportation fund-supported debt service associated with the partial issuance of these general obligations bonds in the biennium by $100,100 SEG in 2020-21 [Standard budget adjustment reductions of $108,300 SEG annually and $182,100 FED annually are shown in a separate item (see "Departmentwide.")]

As modified by Joint Finance, the bill would provide $226.4 million to the megaprojects program. In budget discussions, DOT has indicated that it would use $195.0 million of this amount for the north leg of the Zoo Interchange project and $11.4 million related to Zoo Interchange and I-94 North-South project costs for which bonds and federal aid may not be used and for project studies. Together, these amounts total $206.4 million, which is the amount that the Department has indicated would be needed to complete these projects.

The remaining $20.0 million would be available to fund costs associated with reinitiating work on the I-94 East-West project (70th Street to 16th Street) in Milwaukee County, which is the next anticipated megaproject. Project enumeration would be required before commencement of construction activities. The preferred project alternative is an eight-lane replacement of the current six-lane facility. Although environmental study and federal approval for this project were completed and the preferred alternative selected, on September 29, 2017, the then-DOT Secretary requested that the Federal Highway Administration (FHWA) rescind the project's federal approval due to a lack of enumeration and available funding. In order to reinstate this decision, DOT would need to complete additional work on the project's environmental documentation and resubmit the project's record of decision (approval) to FHWA for reinstatement.

Southeast Wisconsin Freeway Megaprojects Program -- Base Funding to Joint Finance Action Comparison

Fund	2018-19 Base Plus Bonds	Joint Finance* 2019-20	Joint Finance* 2020-21
SEG	$11,767,900	$36,659,600	$26,659,600
FED	29,324,200	41,005,100	27,075,700
Gen. Ob. Bonds (SEG)	0	32,500,000	62,500,000
Total	$41,092,100	$110,164,700	$116,235,300

* Includes $107,800 SEG and $186,100 FED associated with adjustments to the 2018-19 base funding amount and standard budget adjustments.

Southeast Wisconsin Freeway Megaprojects Program Funding -- 2017-19 to 2019-21 Joint Finance Action Comparison

	2017-19		
	2017-18	2018-19	Biennial Total
SEG	$6,488,300	$11,660,100	$18,148,400
FED	235,932,700	29,138,100	265,070,800
Gen. Ob. Bonds (GPR)	126,200,000	126,200,000	252,400,000
Total	$368,621,000	$166,998,200	$535,619,200

	Joint Finance -- 2019-21*		
Fund	2019-20	2020-21	Biennial Total
SEG	$36,659,600	$26,659,600	$63,319,200
FED	41,005,100	27,075,700	68,080,800
Gen. Ob. Bonds (SEG)	32,500,000	62,500,000	95,000,000
Total	$110,164,700	$116,235,300	$226,400,000
% Change in Resources			-57.7%

*Includes $107,800 SEG and $186,100 FED annually associated with adjustment to the 2018-19 base funding amount and standard budget adjustments.

Note: The 2017-18 FED amount includes a one-time $160.0 million federal INFRA grant provided for use on the I-94 North-South freeway project.

6. INSTALLATION OF NOISE BARRIER ON I-41

Joint Finance: Require DOT to install a noise barrier in the 2019-21 biennium along the east side of I-41 adjacent to 112th Street, between Clarke Street and Center Street in Milwaukee County.

7. MAJOR INTERSTATE BRIDGE BOND AUTHORIZATION AND USE OF FUNDS [LFB Paper 733]

BR	$27,000,000

Governor/Joint Finance: Authorize $27,000,000 of transportation fund-supported, general obligation bonds for the major interstate bridge program (the St. Croix Crossing project) to be used to pay for remaining project costs. The administration indicates that this funding would be needed to pay the state's remaining share of project costs on the St. Croix Crossing project, which is due to the State of Minnesota. Although the project was open to traffic in August, 2017, these funds would be used to pay a settlement related to additional costs incurred during project construction, which is currently under negotiation with the contractor. Modify the current law provision that limits the funding of preliminary design work for a major interstate bridge project to only the program's appropriations and bond authorization. This provision would allow the Department's state highway rehabilitation program appropriations to fund these preliminary design costs.

Estimated transportation fund-supported debt service associated with the partial issuance of these general obligation bonds, which would increase by $21,300 SEG in 2020-21, is shown in a separate item (see "Transportation Finance").

8. HIGH-COST STATE BRIDGE BOND AUTHORIZATION REDUCTION [LFB Paper 733]

BR	- $10,000,000

Governor/Joint Finance: Reduce the authorization of transportation fund-supported, general obligation bonds for the high-cost state bridge program (the Hoan Bridge) by $10,000,000. The Hoan Bridge project was completed in 2015. Because the project is complete, the bonds will not be issued, and there is no corresponding debt service reduction associated with this bonding authorization reduction.

9. REPEAL 2017 ACT 368 FEDERAL FUNDING LIMITATIONS ON STATE HIGHWAY PROJECTS

Governor: Repeal the provisions of 2017 Act 368 that require that for certain state highway projects on which the Department expends federal moneys, it must expend federal moneys on not less than 70% of the aggregate project components eligible for federal funding each fiscal year. Under current law, this requirement applies to the following project types: (a) southeast Wisconsin freeway megaprojects; (b) major highway development projects; and (c) state highway rehabilitation projects with a total cost of less than $10 million. Repeal related provisions that allow DOT to submit a passive review request for waiver of these requirements. These provisions are currently scheduled to first apply to projects let on July 1, 2019.

Joint Finance: Delete provisions.

10. INTELLIGENT TRAFFIC SYSTEMS AND TRAFFIC CONTROL SIGNALS APPROPRIATIONS SUNSET

Governor/Joint Finance: Delete the sunset of the state, federal, and local appropriation

accounts for intelligent traffic systems and traffic control signals. Under current law, no moneys may be encumbered from these appropriation accounts after June 30, 2021. These appropriations are eligible to fund the installation, replacement, or rehabilitation of traffic control signals and intelligent transportation systems (a broad set of technologies and equipment related to traffic management). The appropriations were originally scheduled to sunset on June 30, 2019; however, 2017 Act 59 extended this date to June 30, 2021.

No above-base funding for this purpose would be provided under the bill. The 2018-19 adjusted base funding for this purpose, after standard budget adjustments, is $9,967,100 SEG (the federal and local appropriation accounts do not have existing base funding).

11. ALTERNATIVE HIGHWAY PROJECT DELIVERY METHODS AND PROGRAM

Joint Finance: Create a program and office for alternative highway project delivery, including the following provisions:

Office of Innovative Program Delivery. Create an office of innovative program delivery in DOT. Specify that the director of the office would be appointed by, and report directly to, the DOT Secretary. Require the DOT Secretary to appoint a director who has no fewer than five years of experience in design-build project development and delivery specific to public transportation or public infrastructure construction. Require that the director do all of the following: (a) perform the duties and functions required to facilitate alternative project delivery; (b) employ, supervise, and train personnel assigned to the office by the DOT Secretary; and (c) supervise all expenditures of the office. Specify that the office perform the duties and functions required to facilitate alternative project delivery. Create the following definitions related to this office: (a) "director" would mean the director of the office of innovative program delivery attached to the Department; and (b) "office" would mean the office of innovative program delivery attached to the Department. Require the DOT Secretary to assign from DOT's existing position authority at least 1.0 FTE position to the office of innovative program delivery.

Alternative Project Delivery. Create the following definitions: (a) "Alternative technical concepts" would mean a proposed alternative to the technical requirements provided by the office in the request for proposals for a project; (b) "best value design-build contract" would mean a design-build contract award made following a calculation of value as provided in a request for proposals; (c) "design-build contract" would mean a contract for a project under which the design, engineering, construction, and related services are provided by a single design-builder; (d) "design-builder" would mean a private legal entity, consortium, or joint venture that proposes to or executes a contract with the office to design, engineer, and construct a project under this section; (e) "design-build project" would mean a project for which design, engineering, construction, and related services are procured through a single contract with a single private legal entity, consortium, or joint venture capable of providing the necessary design, engineering, construction, and related services; (f) "design professional" would mean a person registered as an architect or professional engineer, or a registered architecture or engineering firm, partnership, or corporation; (g) "director" would mean the director of the office of innovative program delivery attached to DOT; (h) "fixed price variable scope design-build contract" would mean a design-build contract

award made to the lowest qualified responsible bidder able to provide the best qualitative scope of work at a price not to exceed a fixed price set by the office; (i) "low bid design-build contract" would mean a design-build contract award made to the lowest qualified responsible bidder; (j) "member" would mean a private legal entity that is a member of a consortium or joint venture that is a design-builder; (k) "office" would mean the office of innovative program delivery attached to the Department; (l) "project" would mean a project involving a highway improvement, as defined under current law; (m) "qualified responsible bidder" would mean a design-builder responding to a request for qualifications and that is certified by the technical review committee; (n) "responsive cost proposal" would mean a proposal that clearly identifies the costs of all services to be performed by the qualified responsible bidder, including all related fees, wages, and equipment and material costs; (o) "responsive technical proposal" would mean a proposal that clearly demonstrates a qualified responsible bidder's understanding of the design, engineering, and construction services to be performed and clearly describes the bidder's approach to the project; (p) "Technical review committee" would mean the committee appointed for review of the alternative project delivery methods described under these provisions; and (q) "value engineering change" would mean a proposal that provides for a product of equal or improved quality to the product required by the department and that will reduce the project cost, improve safety, or decrease the time to complete the project.

Design-Build Projects. Require the Department to administer a pilot program under which not more than six contracts are awarded for design-build projects to be completed no later than December 31, 2025. Specify that the director may not designate a project as a design-build project unless the Department is able to clearly define the scope of work. Specify that DOT may not expend more than $250,000,000 for six design-build contracts designated as follows:

1. one low bid design-build contract for a project with an estimated value of not less than $5,000,000 and not more than $25,000,000;

2. one best value design-build contract for a project with an estimated value of not less than $25,000,000 and not more than $75,000,000;

3. one fixed price variable scope design-build contract with an estimated value of not less than $25,000,000 and not more than $75,000,000; and

4. three contracts designated by the director with a total estimated value of not more than $125,000,000. The department may enter into a low bid design-build contract, best value design-build contract or a fixed price variable scope design-build contract under this subdivision.

Specify that for each project designated as a design-build project the office would prepare a written analysis supporting the office's determination that it is the best interests of the state to make the designation. Require that the written determination and supporting materials would be subject to open records laws. Specify that the written analysis would include all of the following:

1. the extent to which the department can adequately define the project requirements in a proposed scope of design and construction;

2. the impact on the projected project schedule and completion date;

3. the impact on the projected cost of the project;

4. the impact on the quality factors of the project;

5. the availability of contractors with experience with design-build projects or other innovative project delivery methods;

6. the capability of the department to manage a design-build project with office employees and design consultants;

7. the capability of the department to oversee a design-build project with a contractor with experience with design-build projects or other innovative project delivery methods;

8. the availability of current department employees qualified to perform design and engineering services required for the design-build project;

9. the original character of the product or the services;

10. the statutory authority for the designation of the project as a design-build project and how the project furthers the department's statutory duties;

11. whether the design-build project must comply with any federal rule or regulation or any U.S. department of transportation requirement and a statement that the design-build project is in compliance; and

12. any other criteria the office determines is necessary.

Specify that for each project designated under this new program, the office would be required to solicit requests for qualifications, requests for proposals, and cost proposals and let each project by contract to a qualified responsible bidder. Specify that no more than six months following the completion of a design-build project, the office would be required to prepare a report, with input from the design-builder and the technical review committee, detailing the project, the decision to designate the project as a design-build project, the type of design-build contract let, and recommendations for statutory changes, if any. Require that the office provide this report to the Joint Committee on Finance and the Senate and Assembly standing committees having jurisdiction over transportation matters. Specify that the Senate and Assembly standing committees having jurisdiction over transportation matters would be required to schedule a hearing on the report not more than 30 days following distribution of the report by the Chief Clerks of the Senate and the Assembly. Provide that these provisions would not apply to projects completed after December 31, 2025.

Technical Review Committee. Specify that the DOT Secretary appoint five individuals to a technical review committee to evaluate proposals submitted under this section. Provide that the committee consist of the following:

1. an employee of the Department representing a regional office of the Department who has at least five years of experience in the transportation construction industry;

2. two employees of the Department representing the division of the Department responsible for transportation project development, each of whom have at least five years of experience in the transportation construction industry;

3. one person representing a state association of architectural, engineering, or design companies; and

4. one person representing a state association of transportation construction companies.

Prohibit the DOT Secretary from appointing to the technical review committee any person associated, as defined in state law, with a design-builder. Specify that a person appointed to the technical review committee may review proposals when the proposed project could benefit the appointee or the appointee's immediate family, as defined under state law for public officials. Specify that a person appointed to the technical review committee is an agent of the Department under state law. Specify that except as otherwise provided, all records of the technical review committee are open to public inspection and copying under public record law.

Bids. Require the office to solicit design-build proposals in two phases. Specify that in the first phase, the office solicit requests for qualifications and requests for proposals. Provide that the technical review committee certify responsible bidders as provided and score technical proposals. Specify that in the second phase, the office solicit cost proposals and the technical review committee evaluate cost proposals.

Request for Qualifications. Require the office to prepare a request for qualifications that includes all of the following:

1. minimum required qualifications for certification as a qualified bidder, which would include all of the following;

a. the design and construction experience of the design-builder or member, personnel, and contractors who will manage the design, engineering, and construction aspects of the project [Specify that the office may not require a level of experience that will unreasonably restrict competition.];

b. a requirement that the design-builder or member employ an individual who has no fewer than five years of experience in highway construction specific to highway improvement projects in this state;

c. a requirement that the design-builder or member be a design professional or will employ or contract with a design professional; and

d. a sworn statement of the design-builder's financial ability, equipment, and experience in design-build project delivery and any other information the office determines is necessary to determine a bidder's competency.

2. Minimum required qualifications for certification as a responsible bidder, which must include all of the following:

a. the design-builder is registered or authorized to do business in this state;

b. the design-builder submits a sworn statement that indicates that it has adequate financial resources to complete the work described in the request for qualifications, taking into account any other work the design-builder is currently under contract to complete;

c. the design-builder is bondable for the term of the proposed contract and is able to obtain a 100% performance bond and a separate 100% payment bond;

d. if the Department has previously contracted with the design-builder or a member, the design-builder or member has a record of satisfactorily completing projects. [Specify that in making this determination, the technical review committee would be required to consider if the design-builder or the member has completed all contracts in accordance with drawings and specifications, diligently pursued execution of the work and completed contracts according to the time schedule, fulfilled guarantee requirements of contracts, and complied with applicable safety program requirements. Provide that the technical review committee may not consider whether a design-builder or member exercised legal rights specified in statute or rule or under a contract with the Department.]

e. the design-builder or a member is not on a list maintained by the Department identifying persons ineligible to bid due to suspension or debarment or on a list that the Department of administration maintains for persons who violated statutory provisions or administrative rules relating to construction;

f. the design-builder or a member has been in business for at least 12 months;

g. the design-builder or a member has served as a prime contractor on no fewer than five projects administered by the Department during the previous five calendar years;

h. the design-builder can provide information to the technical review committee upon request about ownership, management, and control of the design-builder;

i. the design-builder or a member has not been debarred from any government contracts and has not been found to have committed tax avoidance or evasion in any jurisdiction in the previous 10 years;

j. the design-builder has not been disciplined under a professional license in any jurisdiction in the previous 10 years; and

k. no design professional employed by the design-builder or a member or that the design-builder will contract with has been disciplined in any jurisdiction under a license that is currently in use.

4. Specify that information about bid procedures and the proposed project, including all of the following:

a. the type of contract to be awarded;

b. the selection criteria for recommendation of design-builders for phase two;

c. project requirements, including a scope of work statement and a schedule;

d. the required completion date of the project; and

e. a description of requirements for the technical proposal for the project.

Specify that the office advertise the request for qualifications by publication of a Class 1 notice in the official state newspaper and on the Department's internet site. Provide that the office may place similar notices in publications likely to inform potential bidders of the project. Require that the office issue a request for qualifications or provide information as to where the request for qualifications may be obtained to any person, without regard to the qualifications of the person. Require the office include in all advertisements for this purpose the location and scope of work, the amount of bid guarantee required, the date, time, and place of bid or proposal opening, and the date when and place where plans will be available.

Provide that the technical review committee certify at least two but not more than four design-builders as qualified responsible bidders. Specify that if the office does not receive at least two responses to the request for qualifications or if the technical review committee certifies only one design-builder as a qualified responsible bidder, the office may re-advertise or cancel the project.

Request for Proposals. Require that the office prepare a request for proposals for each design-build contract that includes all the following:

1. the name, title, address, and telephone numbers of persons to whom questions concerning the proposal should be directed;

2. the procedures to be followed for submitting proposals, including how proposals must be delivered, the date and time by which they must be received, and the name and address of the person who is to receive them;

3. the date and time of the pre-proposal conference, if any;

4. a requirement that a technical proposal and a cost proposal be submitted in separate sealed proposals at the same time;

5. a clear description of the scope of all design, engineering, and construction work; and

6. the criteria for evaluating proposals and their relative weight, if applicable.

7. the design criteria package, including a description of drawings, specifications, or other information to be submitted with the proposals, which would be required to allow the design-builder to use innovative projects meeting the criteria;

8. the project schedule and budget limits, if any;

9. the proposed terms and conditions of the contract;

10. requirements relating to performance bonds, payments bonds, and insurance;

11. amount of stipend, if any;

12. the procedures for awarding a contract;

13. a process for the technical review committee to review and accept alternative technical concepts and value engineering change proposals;

14. a requirement that the design-builder perform not less than 30% of the construction services under the contract with labor provided by employees of the design-builder or member and equipment owned or rented by the design-builder or member; and

15. any other information the office determines is necessary.

Specify that technical review committee would be required to evaluate each technical proposal, which may include a confidential interview, and would be required to assign points in accordance with the request for proposals and would be subject to all of the following:

1. for a project that will be awarded as either a low bid design-build contract or a fixed price variable scope design-build contract, the technical review committee would be required to determine whether technical proposals are responsive to the request for proposals without ranking or scoring the proposals; and

2. for a project that will be awarded as a best value design-build contract, the technical review committee would be required to determine whether technical proposals are responsive to the request for proposals and score each responsive technical proposal as required by the request for proposals. The technical review committee may award not more than 20% of the points awarded to a technical proposal based on the design-builder's qualifications and ability to design, contract, and deliver the project in accordance with any deadline established in the request for proposals. The technical review committee may award a technical proposal not more than 55% of the maximum number of combined points that may be awarded to a technical proposal and cost proposal.

Require that the office allow design-builders to include alternative technical concepts and value engineering changes in their proposals by describing the process for submission and evaluation of alternative technical concepts and value engineering changes in the request for proposals. Specify that the technical review committee may not consider a proposal responsive unless the proposal includes a conceptual design, critical path method, bar schedule of the work to be performed or similar schematic, design plans and specifications, technical reports, and all other information required by the request for proposals. Specify that the technical review committee may not consider any price or fee included in the technical proposal. Specify that the office notify the design-builder for each proposal that is determined to be responsive and that the design-builder may submit a cost proposal. Provide that the office reject all proposals that are determined to be nonresponsive.

Cost Proposals. Specify that design-builders that are notified as responsive bidders may submit a cost proposal and the proposal would be required to include a fixed cost of design, engineering, and construction services prepared by a design professional that contains all design, engineering, construction, and quality assurance and quality control costs of the project. Specify that the technical review committee may open cost proposals only after the technical proposals have been reviewed. Require that at the time and place specified in the request for proposals, the technical review committee open cost proposals, read the proposals aloud, and, for a project that will be awarded as a best value design-build contract, make public the committee's scoring of the technical proposals. Specify that following a review of cost proposals, the department may issue a notice of intent to award a contract, subject to all of the following:

1. for a low bid design-build contract, the contract would be awarded to the qualified responsible bidder that submitted a responsive technical proposal and also submitted the lowest responsive cost proposal;

2. for a fixed price variable scope design-build contract, the contract would be awarded to the qualified responsible bidder that submitted a responsive technical proposal and that submitted a responsive cost proposal that provides the maximum amount of services for the maximum fixed price set by the office or for an amount that is less than the maximum fixed price; and

3. for a best value design-build contract, the contract would be awarded to the qualified responsible bidder with the highest adjusted score, which would be calculated by adding the bidder's technical proposal score to the bidder's cost proposal score. [Specify that the technical review committee award the lowest qualified responsible bidder the maximum number of points that may be awarded to a cost proposal under the request for proposals, but not less than 45% and not more than 75% of the maximum number of combined points that may be awarded to a technical proposal and cost proposal. Require that for each remaining qualified responsible bidder, the technical review committee would calculate the score for the cost proposal by reducing the maximum number of points that may be awarded to the cost proposal by at least 1% for each percentage point by which the cost proposal exceeds the lowest cost proposal.]

Specify that following a review of cost proposals, the office may reject all proposals. Provide that if the office rejects all proposals or does not execute a contract after issuing an intent to award a design-build contract, the office may reissue the request for proposals and allow only the qualified responsible bidders originally notified as responsive to submit new proposals. Specify that the office may pay a reasonable stipulated fee to each design-builder that provides a responsive but unsuccessful proposal in response to the reissued request for proposals. Stipulate that if the reissued request for proposals specifies a maximum fixed price, the office may not award a stipend to a design-builder whose proposal exceeds that price. Specify that not less than five working days prior to executing a design-build contract, the department would be required to provide notice to each unsuccessful qualified responsible bidder that a notice of intent to award a contract has been issued. Required that the Department and the technical review committee maintain the confidentiality of information provided by design-builders as required under current law.

Contract award. Create the following definitions: (a) "construction services" means work

necessary to construct a project, including trucking services and materials purchased regardless of whether the materials are installed by the design-builder; and (b) "specialty services" means work related to sanitary sewer systems, water main systems, staking, electrical, landscaping and erosion control, traffic control, signing, pavement marking, fencing, and other work identified by the office.

Specify that no later than 10 days following the issuance of a notice of intent to award a design-build contract, the office would be required to verify that the design-builder will perform not less than 30% of the construction services under the contract with labor provided by employees of the design-builder or member and equipment owned or rented by the design-builder or member. Stipulate that the design-builder would be required to submit to the office in the form prescribed by the office documentation of the construction services the design-builder or members will perform and the dollar value of the services. Require the office to calculate the percentage of total construction services identified in the contract to be performed by the design-builder or members by subtracting the value of specialty services to be performed from the total contract amount and dividing the dollar value of construction services to be performed by the design-builder or members by the difference. Specify that if the value of construction services to be performed by the design-builder or members is less than 30% of the value of all construction services required under the contract, the office would be required to cancel the contract award.

Project delivery. Specify that an individual identified in a response to a request for qualifications or in a technical proposal may be replaced by a design-builder if the office determines that the new individual meets the qualifications described in the response to the request for qualifications or in the technical proposal and that the individual's qualifications are at least equal to the qualifications of the individual being replaced.

Liability. Provide that nothing in these design build provisions be construed as relieving a design-builder of 3rd-party liability or liability for loss or damage to property of the state or a county or municipality. Specify that all design services, including architectural and engineering services, provided under a design-build contract are services and not products.

Stipulated Fee. Require the Department to award a stipulated fee of not less than three-tenths of 1% of the department's estimated cost of design and construction as follows:

1. to each qualified responsible bidder that provides a responsive but unsuccessful proposal when the office issues a notice of intent to award a contract. If the request for proposals specifies a maximum fixed price, the office may not award a fee to a proposal that exceeds the maximum fixed price;

2. to all qualified responsible bidders that provide a responsive proposal, if the office does not issue a notice of intent to award a contract; and

3. to all qualified responsible bidders if the office cancels the solicitation before the technical review committee reviews technical proposals.

Require DOT to pay the stipulated fee to each qualified responsible bidder no later than 90 days after DOT issues a notice of intent to award a contract, determines that it will not issue a

notice of intent to award a contract, or cancels the solicitation. Specify that in consideration for paying the fee, DOT may use the work product contained in an unsuccessful proposal in connection with any proposed or awarded design-build project without making any additional compensation to the design-builder. Specify that if an unsuccessful design-builder waives the stipulated fee, the department may not use work product in the design-builder's unsuccessful proposal.

Appeals. Specify that any person aggrieved and directly affected by a decision of the office to issue a request for qualifications or a request for proposals would be entitled to administrative judicial review of the decision, as allowable under current law. Provide that a person be considered a person aggrieved and directly affected by a decision of the office if any of the following would apply to a request for qualifications or a request for proposals issued by the office under this section:

1. the request does not include qualifications, requirements, or other items required under this section;

2. the request does not comply with procedural requirements under this section;

3. the request contains material errors or omissions;

4. the request contains material discrepancies, deficiencies, or ambiguities that prevent a person from submitting a responsive proposal;

5. the request indicates a bias against or preference for a specific design-builder; or

6. the request exceeds the Department's authority.

Specify that any person aggrieved and directly affected by a decision of the office to issue a notice of intent to award a contract under this section would be entitled to administrative judicial review of the decision as allowable under current law. Specify that a person would be considered aggrieved and directly affected by a decision of the office if any of the following apply to a notice of intent to award a contract under this section:

1. the design-builder that received the notice of intent to award a contract was improperly certified as a qualified responsible bidder;

2. a mathematical error was made in scoring any of the proposals that resulted in an improper intent to award a contract;

3. there is evidence of collusion or fraud involving either the design-builder who received the notice of intent to award a contract or a member of the technical review committee;

4. there is evidence of bias of a member of the technical review committee;

5. there is evidence that a member of the technical review committee has a conflict of interest because the committee member, a member of his or her immediate family, as defined under current law for public officials, or any organization or business with which the member is

associated, as defined under current law for public officials, may benefit from the intent to award a contract; or

6. the technical proposal or cost proposal submitted by the design-builder who received the notice of intent to award a contract is not responsive to the request for proposals, contains conditions or qualifications not provided for in the request for proposals, or does not assign costs to all services identified in the technical proposal or is otherwise materially unbalanced.

Specify that if the office prevails upon judicial review, following any protest and appellate court proceedings, the office would be entitled to recover all costs and charges included in the final order or judgment, excluding attorney's fees. Specify that upon payment of costs and charges by the protester, the bond would be returned. Provide that if the protesting party prevails, the protesting party would be entitled to recover from the office all costs and charges included in the final order or judgment, excluding attorney's fees. Specify that the entire amount of the bond would be forfeited if the hearing officer determines that a protest was filed for a frivolous or improper purpose, including but not limited to the purpose of harassing, causing unnecessary delay, or causing needless cost for the office or parties.

Deliverables. Provide that no later than three months after the effective date of the bill, the office would be required to prepare a report that establishes a program structure for delivering design build projects. Required that report specify the types of highway improvement projects to be considered and procedures and timelines for the bid process. Specify that the office may not designate a highway improvement project as a design-build project prior to the completion of the report. Specify that no later than six months after the effective date of the bill, the office would be required to prepare a design-build procurement manual that incorporates the requirements under this subsection and any applicable requirements under federal law. Specify that the manual would be created by a committee that includes all of the following members: (a) the director; (b) two employees of the department who represent the division of the department responsible for transportation project development and who each have not less than five years of experience in the transportation construction industry; (c) one person representing a state association of transportation architectural, engineering, or design companies to be nominated by the governor and appointed with the advice and consent of the senate; (d) one person representing a state association of transportation construction companies to be nominated by the governor and appointed with the advice and consent of the senate; and (e) one person representing a national trade group with a design-build certification program and experience in assisting states with the implementation of a design-build program to be nominated by the governor and appointed with the advice and consent of the senate.

Specify that no later than December 31, 2026, the office submit a report the Joint Committee on Finance and the Senate and Assembly standing committees having jurisdiction over transportation matters summarizing observations of the process utilized for alternative project delivery methods and describing the effectiveness of the alternative project delivery methods contracting procedures. Require that the report include discussion on scope of work, history of projects selected, evaluation criteria, selection process, contract administration, work progression, time and cost comparisons between the traditional contracting method and alternative delivery methods, claims, and changes. Require that no later than six months after receipt of this report, the

Joint Committee on Finance would be required to determine whether the alternative project delivery pilot program was successful in providing DOT with additional tools that allow innovation, reduced project completion time, cost certainty, or reduced cost or other advantages or benefits and make a recommendation to the Legislature as to whether the pilot program should be made permanent.

Administrative Rules and Related Nonstatutory Provisions. Specify that DOT may promulgate administrative rules necessary to implement these provisions. Specify that DOT may promulgate emergency rules related to these provisions for the period before the date on which permanent rules take effect. Notwithstanding current law provisions related emergency rule promulgation, specify that emergency rules promulgated related to these provisions would remain in effect until the first day of the 25th month beginning after the effective date of the emergency rule, the date on which the permanent rules take effect, or the effective date of the repeal of the emergency rule, whichever is earlier. Notwithstanding current law provisions related to emergency rule promulgation, specify that DOT would not be required to provide evidence that promulgating a rule for the purpose of executing these design-build provisions as emergency rules is necessary for the preservation of public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under these provisions. These provisions would take effect on the general effective date of the bill

Motor Vehicles

1. POSTAGE INCREASE [LFB Paper 740]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$3,000,000	- $2,048,000	$952,000
SEG-REV	0	352,000	352,000
Total	$3,000,000	- $1,696,000	$1,304,200

Governor: Provide $1,500,000 SEG annually to fund increased postage costs in the Division of Motor Vehicles. Related information provided by DOT indicates that recent year mail volume has increased, due in part to the need to communicate additional information about local vehicle registration fees ("wheel tax") changes that do not fit on the "postcard" format that is generally used for vehicle registration renewal. In addition, the Department indicates that recent increases to postage rates (increased most recently in January, 2019) have also contributed to rising postage costs.

Joint Finance: Reduce the Governor's recommendation by $1,024,000 SEG annually. Notwithstanding the statutory requirements related to processing fee rates, require DOT to increase its wheel tax processing fee by 10 cents per vehicle (to 27 cents), which would increase transportation fund revenue by $176,000 SEG-REV annually.

2. DRIVER LICENSES AND IDENTIFICATION CARDS FOR UNDOCUMENTED ALIENS [FOR PURPOSES OTHER THAN VOTING]

Governor: Extend eligibility to receive REAL ID non-compliant driver licenses and identification cards to undocumented aliens. [Driver licenses issued under these provisions would be subject to current law driver knowledge and skills requirements applicable for licensing. A REAL ID non-compliant credential is not valid for certain federal purposes, such as air travel.] Make the following related changes to the current law driver license and identification card application, issuance, and renewal processes for REAL non-compliant credentials:

a. *Proof of Citizenship or Legal Presence*. Specify that when processing, issuing, or renewing a REAL ID non-compliant driver license or identification card, the Department may not include any question, or require any proof or documentation, as to whether the applicant is a citizen or national of the United States or lawfully present in the United States, despite existing requirements that DOT examine personally identifiable information and other biometric data in order to determine if an applicant is entitled by law to obtain these credentials. Specify that in lieu of required documentation showing the applicant's date of birth, name, and principal address, an applicant for a REAL ID non-compliant driver license or identification card may provide any documentation deemed acceptable to the Department. Provide that current law driver license and identification card valid documentary proof requirements and requirements related to the expiration date of a person's legal presence in the United States would not apply to REAL ID non-compliant licenses and identification cards.

b. *Applicants without a Social Security Number*. Specify that if a driver license or identification card applicant does not have a social security number and the application is for a REAL ID non-compliant license or card, such a person may provide, in order to be issued such a credential, a statement made or subscribed under oath or affirmation that they do not have a social security number, in a manner prescribed by DOT, with the assistance of the Department of Children and Families. Provide that any license that is issued or renewed in reliance on such a statement would be invalid if the statement is false. Specify that in lieu of current documentation requirements, the applicant could provide an individual taxpayer identification number, a foreign passport, or any other documentation deemed acceptable by DOT. Under current law, in processing driver license or identification card applications or renewals, DOT is required to verify the following: (a) an identification document that includes the applicant's photograph or both the applicant's full legal name and date of birth; (b) documentation showing the applicant's name and address of principal residence; and (c) proof of the applicant's social security number or verification that the applicant is not eligible for a social security number.

Specify that the following current law requirements would not apply to an application for, or renewal of, a REAL ID non-compliant driver license or identification card: (a) the requirement that DOT verify driver license and identification card application information and that the Department direct applicants to investigate and resolve social security number discrepancies prior to issuance; (b) the requirement that DOT cancel a driver license or identification card regardless of expiration date, if the Department receives information from a local, state, or federal government agency that the holder no longer satisfies the requirements (including those related to legal presence) for issuance; and (c) the requirement that DOT may not accept any foreign

document other than an official passport to satisfy personal identification documentation. Provide that DOT may not disclose to any person the fact that an applicant has provided verification of not having a social security number in applying for a REAL ID non-compliant driver license or identification card, except to the Elections Commission for administering its voter records matching program.

Require that any applicant issued a REAL ID non-compliant driver license or identification card who does not provide a verified social security number during the license application process receive a license marked, "Not valid for voting purposes. Not evidence of citizenship or immigration status." Specify that such a driver license would expire four years after the date of issuance and that DOT would have the discretion, at the time of renewal, as to whether to take an applicant's photograph and administer an eyesight exam, so long as both actions occur at least once every eight years. Provide that such identification cards would expire every two years and that a renewed or reinstated card would be valid for a period of two years from the card's last expiration date.

c. *Noncitizen Limited-Term License.* Specify that no person may operate a motor vehicle with a noncitizen limited-term license (which DOT may issue under current law), unless the owner or operator of the vehicle has in effect a motor vehicle liability policy with respect to the vehicle being operated. Prohibit discrimination on the basis of a person's status as a holder or a non-holder of a noncitizen limited-term license and add this license status as a prohibited basis for discrimination in employment, transportation with a motor carrier, automobile insurance, housing, and the equal enjoyment of a public place of accommodation or amusement. Include nondiscrimination on the basis of being a holder or non-holder of a noncitizen limited-term license on the list of written assurances that businesses must provide to DOT in order to be identified as a motorist service on DOT specific information signs.

d. *Effective Date and Initial Applicability.* These provisions would first take effect on the first day of the fourth month beginning after publication of the bill and would first apply to driver license and identification card applications received by the Department on this date.

Renumber various statutory sections and amend statutory cross references as necessary to accomplish these changes.

Joint Finance: Delete provision.

3. AUTOMATIC VOTER REGISTRATION -- TRANSFER OF INFORMATION

Governor: Include as part of the current law Elections Commission and DOT voter record matching program, a requirement that DOT electronically transfer Department records related to the verification of voter eligibility for regular driver license and identification card holders, including: (a) the full name of each individual who holds a current driver license or identification card; (b) such persons' name history, address history, date of birth, driver license or identification card number; (c) a copy of proof of citizenship documents that such persons used to obtain a driver license or identification card; and (d) a statement from the Department indicating that it verified such persons' citizenship. Specify that DOT provide these voter eligibility-related records on a

continuous basis, not less than monthly, notwithstanding various current law restrictions related to the disclosure of personally identifiable information maintained by the Department. Require DOT, for each of these items of information, to provide the most recent date that the item of information was provided or obtained. Under the bill, the Elections Commission would be required to facilitate the registration of all eligible voters in the state. This information sharing provision would assist the Elections Commission in fulfilling this requirement. [See "Elections Commission."]

Require that DOT's application and renewal forms used by applicants for obtaining driver licenses and identification cards inform the applicant of the Department's duty to make the personally identifiable information contained in the application available to the Elections Commission for voter eligibility verification and registration purposes. Specify that these applications and renewal forms would be required to provide the applicant an opportunity to elect not to have this information made available to the Elections Commission for these purposes. Provide that if an applicant elects not to make available the information required for the purposes of voter registration and eligibility verification, the Department would be prohibited from making this information available to the Elections Commission for these purposes. Specify that this provision would not preclude the Department from sharing this information with the Elections Commission for the current law purposes of online voter registration or for any other purpose other than automatic voter registration.

Notwithstanding current law requirements related to the existing voter record matching program and restrictions on the disclosure of personally identifiable information, require DOT to enter into and begin transferring information under a revised agreement with the Elections Commission administrator no later than the first day of the fourth month after the general effective date of the bill.

Joint Finance: Delete provision.

4. EXEMPTION FROM PROBATIONARY LICENSE REQUIREMENTS -- UNITED STATES ARMED FORCES

Governor: Include persons providing proof of enlistment in the United States Armed Forces to DOT to the list of persons exempt from probationary driver licenses requirements.

Under current law, DOT is generally required to issue probationary driver licenses to persons applying for an original license. Probationary licenses expire two years from the applicant's next birthday and are subject to a number of restrictions, depending on the age of the license holder and the driving-related activity. However, under current law, the following persons are exempt from these probationary requirements: (a) any person moving to the state who has been licensed in another jurisdiction for at least three years, who presently holds a license, other than an instruction permit, from another jurisdiction which has not expired for more than six months and who is 21 or older; (b) any person entitled to a regular license under a driver license reciprocity agreement with a foreign government; and (c) any person issued a commercial driver license. Under the bill, enlisted members of the Army, Marine Corps, Navy, Air Force and Coast Guard, which comprise the United States Armed Forces, would be exempt from probationary license requirements, if proof of enlistment is provided to DOT.

Joint Finance: Delete provision.

5. IDENTIFICATION CARD RECEIPTS FOR VOTING PURPOSES -- VALID PERIOD

Governor: Extend the period for which identification card receipts issued by DOT for the purposes of voting remain valid, from 60 days to 180 days.

Under current law, the Department may not charge a fee to an applicant for the initial issuance, renewal, or reinstatement of an identification card (or temporary receipt) if the applicant is a U.S. citizen who will be at least 18 years of age on the date of the next election and the applicant requests that the identification card be provided without charge for purposes of voting. Because identification cards may be used for voting and are mailed to applicants, DOT provides those card applicants who are also eligible voters with a temporary receipt that may be used for voting purposes. The fee for identification cards issued for purposes other than voting is $28 ($18 for the card itself, plus a $10 issuance fee).

Joint Finance: Delete provision.

State Patrol

1. OFFICE OF EMERGENCY COMMUNICATIONS TRANSFER FROM DMA TO DOT [LFB Paper 500]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$485,200	3.00	- $485,200	- 3.00	$0	0.00
PR	2,524,800	4.00	- 2,524,800	- 4.00	0	0.00
Total	$3,010,000	7.00	- $3,010,000	- 7.00	$0	0.00

Governor: Modify current law related to the Office of Emergency Communications (OEC), as follows:

a. *Transfer functions associated with the OEC from DMA to DOT.* Transfer the powers and duties of the Interoperability Council, the Wisconsin Interoperable System for Communications (WISCOM), the 911 Subcommittee, Next Generation 911 (NG911), the Public Safety Broadband program, and the Land Mobile Radio Program from the Department of Military Affairs (DMA) to the Department of Transportation (DOT). Transfer all assets and liabilities, tangible personal property, pending matters, and contracts from DMA to DOT, as determined by the Secretary of the Department of Administration on the general effective date of the bill. Transfer the authority to appoint a director of emergency communications from the Adjutant General to the Secretary of DOT.

b. *Transfer appropriations associated with the OEC from DMA to DOT.* Transfer the following annual appropriations and position authority, from DMA to DOT's motor vehicle services and enforcement program: (a) the interoperable communications system appropriation [$1,262,400 PR and 4.0 PR positions annually]; (b) the Interoperability Council appropriation funded from the police and fire protection fund, as under current law [$240,900 SEG in 2019-20 and $244,300 SEG in 2020-21 and 3.0 SEG positions annually]; (c) the Next Generation 911 appropriation [no funding]; (d) the public safety interoperable communication system, general usage fees appropriation [no funding]; and (e) the public safety interoperable communication system, state fees appropriation [no funding]. While the bill transfers position authority and funding for 4.0 PR and 3.0 SEG positions, the bill would not include the transfer of incumbent employees.

Under current law, the two DMA appropriations (identified above) for the deposit of interoperability system usage fees are PR-supported and are able to receive and expend all funds deposited for operation of the system. The bill would repeal and recreate these existing PR appropriations as transportation fund-supported (SEG) appropriations, but would not appropriate any funds for the purposes of the appropriations. The bill would also transfer to DOT DMA's authority to charge interoperability system usage fees to state agencies or other users of the system. Fee revenue would be deposited to the transportation fund under the current law requirement that all collections by DOT be deposited to this fund, unless specifically required to be deposited in another fund. However, the bill would need to be modified, if it is the intent of the administration to appropriate the related SEG revenue for these appropriations.

c. *Interoperability Council.* Provide that DOT, instead of DMA, provide staff support to the Council. Under current law, the 15-member Council is comprised of various state executives and local officials and is generally charged with making recommendations and providing advice for the purpose of achieving a statewide interoperable communication system.

d. *WISCOM.* Transfer oversight of the development and operation of a statewide public safety interoperability communication system (more commonly referred to as WISCOM) from DMA to DOT. Specify that the Interoperability Council assist and advise DOT (rather than DMA) in identifying, obtaining, and allocating funding to implement WISCOM. Further, provide that the Council make recommendations to DOT (rather than DMA) on various current law aspects of the administration of public safety interoperable communication systems.

Repeal the statutory requirement that DMA issue a request for proposals regarding WISCOM. Instead, require DOT, no later than June 30, 2020, to issue a request for proposals (RFP) for a statewide public safety interoperable communications system to be deployed on existing tower sites. Specify that DOT may expend not more than $500,000 to enter into a contract with an organization to provide professional consulting services related to the development of bidder qualifications and technical requirements for this RFP. Provide that the current law requirements related to making orders or awarding contracts to the lowest responsible bidder for all materials, supplies, equipment, and contractual services would not apply to the contract for consulting services. Specify that in soliciting bids for this contract, current law provisions relating to competitive sealed bidding would not apply.

e. *Next Generation 911*. Transfer the authority to appoint one member of the 19-member 911 Subcommittee from the Adjutant General to the Secretary of Transportation. NG911 is a nationwide initiative aimed at updating the 9-1-1 service infrastructure. Related DMA base funding for the creation, operation, and maintenance of an emergency services IP network to facilitate the implementation NG911 is $6,700,000 SEG. This base funding currently funds a DMA appropriation and is funded from the police and fire protection fund. The bill would delete this base funding from DMA, but would not appropriate the funding to DOT for the network, as was intended by the administration. Unless the bill is modified to reflect the administration's intent, additional revenue would be available to the police and fire protection fund, which is primarily used to offset the amount of GPR needed to fund the annual county and municipal aid distribution.

As directed in 2017 Act 59, the OEC was created in October, 2017, to oversee the Interoperability Council and its four subcommittees (Wisconsin Interoperability System for Communications, 911, Land Mobile Radio, and Nationwide Public Safety Broadband Network). The stated goal of the OEC is to support and promote the ability of emergency responders and government officials to continuously communicate in the event of natural disasters, acts of terrorism, or other man-made disasters. Prior to October, 2017, the Interoperability Council operated under the jurisdiction of the Department of Justice.

[See DMA -- "Office of Emergency Communications Transfer to DOT."]

Joint Finance: Delete provisions, but require DOT to issue a request for proposals for WISCOM by June 30, 2020, in collaboration with DMA. Authorize DOT to expend up to $500,000 for related professional consulting services from existing Department resources.

2. PUBLIC SAFETY RADIOS [LFB Paper 745]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,931,900	- $91,200	$1,840,700

Governor: Increase funding by $121,000 in 2019-20 and $1,810,900 in 2020-21 to the appropriation that funds State Patrol operations for the purpose of replacing mobile radio equipment used by troopers with updated (dual-band) equipment from a sole supplier. Currently, officers are using radio equipment from multiple suppliers, which can result in additional Department support and maintenance efforts. This would establish ongoing base funding of $1,810,900 for this purpose.

Joint Finance: Reduce the Governor's recommendation by $5,700 in 2019-20 and by $85,500 in 2020-21 to provide the funding sufficient to purchase the radio equipment. Specify that $593,700 would be provided on a one-time basis in order to account for the existing base funding for this purpose.

3. EVIDENTIAL BREATH TEST INSTRUMENT REPLACEMENT

PR	$240,400

Governor/Joint Finance: Provide $120,200 annually to fund the replacement of evidential breath test instruments, which are used to measure the blood alcohol content of motor vehicle operators suspected of operating while intoxicated. The Department's 2019-21 budget request indicated that in addition to the 219 breath testing instruments that are scheduled to be replaced with existing funding, this funding would allow for the replacement of an additional 88 instruments. This would establish ongoing base funding for this purpose of $120,000 annually for this purpose.

4. ALLOW PRIVATE SALVAGE VEHICLE INSPECTIONS [LFB Paper 746]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$234,000	- $234,000	$0

Governor: Specify that if the Department establishes requirements for certification to conduct salvage vehicle inspections, it may not require that the inspector of these vehicles be employed by DOT or a law enforcement agency. Increase revenue and expenditure authority by $117,000 annually to reflect an estimated increase in program revenue associated with this provision.

Under current law, a repaired salvage vehicle may not be registered or be issued a new certificate of title until an inspector authorized by DOT examines the vehicle to verify the title, source, and ownership of parts, as well as compliance with safety equipment requirements. A DOT administrative rule currently requires that a person be a Wisconsin law enforcement officer or a full-time employee of DOT's State Patrol and complete specified training to be qualified to conduct salvage inspections.

This item was also included under DOT's 2019-21 biennial budget request. Under the request, as under the bill, it could be expected that fee revenue from the Department and local government inspections would decrease, as private inspectors would instead perform a portion of these inspections. To reflect this expected reduction, the Department had intended to reduce expenditure authority in the related PR appropriation ($145,900 annually under current law) by $28,900 annually, to result in a modified expenditure authority of $117,000 annually. A modification to the bill would be required to reflect this intent.

Joint Finance: Delete provision.

5. LIEUTENANT GOVERNOR SECURITY

Joint Finance: Prohibit DOT from spending from the State Patrol general operations appropriations more in the 2019-21 biennium for the security and safety of the Lieutenant

Governor than was expended in the 2017-19 biennium.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

SEG	- $18,709,500
FED	- 2,795,000
SEG-S	- 76,800
PR	442,200
Total	- $21,139,100

Governor/Joint Finance: Make adjustments to the base budget for: (a) turnover reduction (-$4,680,900 SEG and -$1,444,500 FED annually); (b) full funding of continuing position salaries and fringe benefits (-$7,624,000 SEG, -$739,900 FED, -$38,400 SEG-S and $49,200 PR annually); (c) overtime ($2,876,400 SEG, $773,400 FED, and $166,500 PR annually); (d) night and weekend salary differential ($258,800 SEG and $13,500 FED annually); (e) reclassifications and semiautomatic pay progression ($4,900 PR in 2019-20 and $5,900 PR in 2020-21); and (f) full funding of lease costs and directed moves (-$344,700 SEG in 2019-20 and -$25,400 SEG in 2020-21).

[Note: The reduction shown under item (b), "full funding of continuing position salaries and fringe benefits," is primarily due to an adjustment to salary and fringe benefits associated with the 2017 Act 59 reduction of 100 SEG FTEs in 2017-18 and the corresponding lapse of associated funding in that year. However, the Act 59 funding reduction was a lapse of funds from DOT appropriations and not an ongoing reduction in funding. Therefore, this item should not be included as a standard budget adjustment, but rather should considered as a budget change decision item, if the reduction is to occur.]

2. INTERNAL REORGANIZATION OF POSITIONS AND FUNDS

Governor/Joint Finance: Transfer 6.00 SEG positions and $632,200 SEG annually associated with the Department's Traffic and Criminal Software (TRACs) unit from DMV to State Patrol. DOT transferred responsibility for the TRACs unit from DMV to State Patrol during the past biennium, as State Patrol is the primary user of this data reporting system. The proposed transfer, which was included in the Department's 2019-21 budget request, would realign the technical support positions and funding associated with TRACs to the division (State Patrol), which now manages it.

3. DOT ADMINISTRATIVE FACILITIES [LFB Paper 750]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$9,080,000	- $9,080,000	$0

Governor: Authorize $9,080,000 in transportation revenue bonds for DOT administrative

facilities construction projects. The recommendation would appropriate bond proceeds for this program at the base level ($4,540,000 annually). This authorization is also typically incorporated into the Building Commission's biennial capital budget recommendations. Estimated reductions to transportation fund revenue, associated with the partial issuance of these bonds, of $56,800 in 2019-20 and $421,000 in 2020-21, are shown in a separate item (see "Transportation Finance").

Joint Finance: Delete provision. Require DOT to expend up to $9,080,000 from the proceeds of existing transportation revenue bonds for administrative facility projects in the 2019-21 biennium.

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,231,160,000	$2,357,768,500	$2,243,868,500	- $113,900,000*	- 4.8%	$12,708,500*	0.6%
FED	3,455,558,600	3,455,558,600	3,455,558,600	0	0.0	0	0.0
PR	6,670,828,800	6,878,333,700	6,878,333,700	0	0.0	207,504,900	3.1
SEG	65,592,600	66,212,600	65,592,600	- 620,000	- 0.9	0	0.0
TOTAL	$12,423,140,000	$12,757,873,400	$12,643,353,400	- $114,520,000	- 0.9%	$220,213,400	1.8%

*This does not include $45 million GPR for the UW System and $8.8 million GPR for a Dairy Innovation Hub provided in the Joint Finance Committee's supplemental appropriation. Including this funding, the Joint Finance Committee GPR change to the Governor would be -$60.1 million and -2.5%, and GPR change to the base would be $66.5 million and 3.0%.

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	17,813.49	17,834.49	17,814.49	- 20.00	1.00
FED	5,534.53	5,534.53	5,534.53	0.00	0.00
PR	12,538.79	12,758.63	12,758.63	0.00	219.84
SEG	165.51	165.51	165.51	0.00	0.00
TOTAL	36,052.32	36,293.16	36,273.16	- 20.00	220.84

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$5,863,000

Governor/Joint Finance: Modify the base budget by $2,892,600 in 2019-20 and $2,970,400 in 2020-21 for: (a) full funding of continuing position salaries and fringe benefits ($2,829,800 annually); and (b) full funding of lease and directed moves costs ($62,800 in 2019-20 and $140,600 in 2020-21).

2. RESIDENT UNDERGRADUATE TUITION FREEZE [LFB Paper 755]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$50,400,000	- $50,400,000	$0

Governor: Prohibit the Board of Regents of the UW System from charging resident undergraduates enrolled in an institution or college campus in the 2019-20 or 2020-21 academic year more in tuition than it charged resident undergraduates enrolled in that institution or college campus in the 2018-19 academic year. Provide $16,800,000 in 2019-20 and $33,600,000 in 2020-21.

Beginning in the 2013-15 biennium, each biennial budget act has prohibited increases in resident undergraduate tuition rates. The administration estimates that a 1% increase in resident undergraduate tuition would result in an increase in tuition revenues of approximately $8.4 million. The administration indicates the funds provided under the bill are intended to replace resident undergraduate tuition revenue which could have been generated based on a tuition increase of 2% in each year of the biennium.

Joint Finance: Delete $16,800,000 in 2019-20 and $33,600,000 in 2020-21, but still prohibit the Board of Regents from charging resident undergraduates enrolled in an institution or college campus in the 2019-20 or 2020-21 academic year more in tuition than it charged resident undergraduates enrolled in that institution or college campus in the 2018-19 academic year.

3. STUDENT SUCCESS AND ATTAINMENT [LFB Paper 756]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$45,000,000	- $45,000,000	$0

Governor: Provide $20,000,000 in 2019-20 and $25,000,000 in 2020-21 in the UW System's general program operations appropriation. Require the Board of Regents to allocate this funding to advance student success and attainment.

Executive budget documents indicate that initiatives supported by this funding could include time to degree, advising, and participation in internships, undergraduate research, and community partnerships.

Joint Finance: Delete provision. Instead, provide $22,500,000 in 2019-20 and $22,500,000 in 2020-21 in the Joint Committee on Finance supplemental appropriation for release to the UW System upon submission of a plan by the UW System for the use of this funding. The fiscal effect of this item is shown under Program Supplements.

4. NURSE EDUCATORS [LFB Paper 757]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,000,000	- $10,000,000	$0

Governor: Provide $10,000,000 in 2019-20 in a new continuing appropriation for a nurse educators program. Require the Board of Regents to establish a nurse educator program that provides: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice or doctor of philosophy in nursing; (b) postdoctoral fellowships to recruit faculty for system nursing programs; and (c) educational loan repayment assistance to recruit and retain faculty for system nursing programs. Specify that the program require individuals who receive fellowships or loan repayment assistance under the program to make a commitment to teach for three consecutive years in a UW-System nursing program.

Joint Finance: Delete provision.

5. DAIRY INNOVATION HUB

Joint Finance: Provide $1,000,000 GPR in 2019-20 and $7,800,000 GPR in 2020-21 in the Joint Committee on Finance supplemental appropriation for release to the UW System upon request and approval by the Committee. The fiscal effect of this item is shown under Program Supplements.

6. REESTIMATE DEBT SERVICE

GPR	$6,549,900
PR	20,495,900
Total	$27,045,800

Governor/Joint Finance: Provide $3,390,700 GPR and $8,230,700 PR in 2019-20 and $3,159,200 GPR and $12,265,200 PR in 2020-21 to reestimate debt service costs.

7. ADDITIONAL UW COLLEGES FUNDING [LFB Paper 758]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,000,000	- $5,000,000	$0

Governor: Provide $2,500,000 in 2019-20 and in 2020-21 in the UW System's general program operations appropriation. Require the Board of Regents to allocate at least $2.5 million of this funding in each fiscal year to the UW Colleges for student support services. Specify that this be in addition to any other amount allocated to UW Colleges by the Board and that this allocation be a bona fide increase of funding to the UW Colleges above the level that would otherwise have been provided.

Joint Finance: Delete provision.

8. UW-EXTENSION COOPERATIVE COUNTY AGRICULTURE AGENTS [LFB Paper 759]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$3,500,000	20.00	- $3,500,000	- 20.00	$0	0.00

Governor: Provide $1,500,000 and 20.0 positions beginning in 2019-20 and $2,000,000 in 2020-21 in the UW System's general operations appropriation. Require the Board of Regents to allocate $1.5 million GPR in fiscal year 2019-20 and $2 million GPR annually thereafter for extension county-based agriculture positions.

UW-Extension agricultural agents and educators work with counties to utilize University research and knowledge to address community agricultural and natural resource needs.

Joint Finance: Delete provision.

9. STATE LAB OF HYGIENE -- FORENSIC TOXICOLOGY

	Funding	Positions
GPR	$295,600	1.00

Governor/Joint Finance: Provide $126,800 in 2019-20 and $168,800 in 2020-21 and 1.0 position beginning in 2019-20 for the State Laboratory of Hygiene's forensic toxicology unit. Executive budget documents indicate that the faculty position would conduct research on trends in opioids, novel psychoactive substances, and drugs and further collective efforts to curtail opioids and other drug abuse.

10. REESTIMATE TUITION REVENUES

	Funding	Positions
PR	$187,009,000	219.84

Governor/Joint Finance: Provide $93,504,500 annually and 219.84 positions beginning in 2019-20 to reflect increases in tuition revenues that have been incorporated into UW System's operating budget since 2016. Based on the UW System's agency budget request, these increases are attributable to the following: (a) changes in enrollment ($39,240,300); self-supporting programs ($14,232,200); (c) differential tuition increases (-$711,200); and (d) increases in nonresident and graduate tuition ($40,743,400).

Tuition revenues are deposited in the UW System's PR general program operations appropriation. That appropriation is an all-moneys-received appropriation meaning that the UW System can expend all moneys deposited in the appropriation regardless of the amount shown in the appropriation schedule. In addition, the Board of Regents and the UW-Madison Chancellor may create or abolish positions funded with tuition revenue without the approval of the Legislature or the Joint Committee on Finance.

11. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS

Governor: Specify that a person who is a citizen of a country other than the U.S., while they continue to be a resident of Wisconsin, would be entitled to an exemption from UW System nonresident tuition, but not from incidental or other fees, if that person meets all of the following requirements: (a) the person graduated from a high school in Wisconsin or received a declaration of equivalency of high school graduation from Wisconsin; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in Wisconsin or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in an institution and provides that institution with proof that the person has filed or will file an application for a permanent resident visa with U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Specify that this provision would first apply to persons who enroll for the semester or session following the effective date of the bill.

Current law allows the Board of Regents to charge different tuition rates to resident and nonresident students. Current law also includes nonresident tuition exemptions, under which certain nonresident students pay resident tuition rates. The bill would create an additional nonresident tuition exemption for a person who is not a legal permanent resident of the United States and who meets the criteria specified in the bill.

Joint Finance: Delete provision.

12. SUPPLEMENTAL PAY PLAN AND PERFORMANCE [LFB Paper 760]

Governor: Specify that, during the 2019-21 biennium, the Board of Regents may provide supplemental pay plans, in addition to the 2019-21 state compensation plan, for all of its employees, other than employees assigned to UW-Madison. In addition, specify that, during the 2019-21 biennium, the Chancellor of UW-Madison may provide supplemental pay plans, in addition to the 2019-21 state compensation plan, for all employees assigned to UW-Madison. Require the Chancellor to submit the supplemental pay plans to the Board of Regents and implement them only with the approval of the Board. Further, prohibit the Board from requesting supplemental funding to pay the costs of the supplemental pay plans, and prohibit the Board from requesting any funding of increases in salary and fringe benefit costs provided in these plans through the UW System agency budget request. Additionally, specify that, for each fiscal year of the 2019-21 biennium, instead of allocating $26,250,000 for performance based funding, the Board of Regents may allocate all or a portion of that amount to fund the supplemental pay plans allowed under the bill. If the Board allocates a portion of that amount for supplemental pay plans, the Board is required to allocate the remainder to distribute to institutions under the performance based formula. The $26,250,000 GPR for performance based funding is included in the annual base budget of the UW System.

Joint Finance: Delete provision.

13. PERFORMANCE FUNDING ALLOCATIONS

Governor: Modify the current performance funding program to provide that any university, including any branch campus associated with the university as a result of the UW system restructuring, any operational unit of the UW-Madison assigned former functions of the UW-Extension as a result of the system restructuring, and any operational unit of System Administration assigned former functions of the UW-Extension as a result of the system restructuring are included as "institutions" for the purposes of the allocation of performance funding. Define "system restructuring" as the system's restructuring plan approved by the Higher Learning Commission on or about June 28, 2018. In addition, specify that the requirement that the Board of Regents approve a peer group for each institution that includes institutions of higher education with comparable missions and service populations does not apply to operational units assigned former functions of the UW-Extension as a result of the system restructuring.

The 2017-19 budget (2017 Act 59) created the performance funding program for the UW System which establishes the following goals for the UW System: (a) growing and ensuring student access; (b) improving and excelling at student progress and completion; (c) expanding contributions to the workforce; and (d) enhancing operational efficiency and effectiveness. For each goal, the Board of Regents was required to identify at least four metrics to measure an institution's progress toward meeting the goal. The Board was authorized to specify different metrics for UW-Extension (units assigned former UW-Extension functions under the bill). Act 59 also required the Board to develop a formula for distributing the $26.25 million provided in 2018-19 among the institutions based on each institution's performance with respect to the metrics subject to approval by the Joint Committee on Finance. In April, 2018, the Joint Committee on Finance approved the outcomes-based funding formula proposal submitted by the UW System. Because of the ongoing restructuring of the UW System, UW Colleges and UW-Extension were removed from consideration for the outcomes-based funding formula. Under the bill, all units of the UW-System would be eligible for funding under the formula.

Joint Finance: Delete provision.

14. ENVIRONMENTAL EDUCATION GRANTS [LFB Paper 761]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$500,000	- $500,000	$0

Governor: Provide $250,000 annually from the conservation fund and create an environmental education grant program. Under the environmental education grant program, require UW-Stevens Point to award grants to nonprofit corporations, and public agencies including county, city, village, town, public inland lake protection and rehabilitation districts, lake sanitary districts, or school districts, or agencies of those public agencies or the state, for the development, dissemination, and presentation of environmental education programs. Require programs to be funded on an 18-month basis. In addition, specify that no grant could be awarded under the program unless the grant recipient matches at least 25 percent of the amount of the grant. Provide

that matching moneys could include private funds and in-kind contributions. Specify that grants from the program could not be used to replace funding available from other sources. Further, provide that no more than one-third of the total amount awarded in grants in any fiscal year could be awarded to state agencies.

Require UW-Stevens Point to consult with all of the following to assist in identifying needs and establishing priorities for environmental education, including needs for teacher training, curriculum development and the development and dissemination of curriculum materials: (a) the State Superintendent of Public Instruction; (b) other UW System institutions with expertise in the field of environmental education; and (c) conservation and environmental groups, including youth organizations and nature and environmental centers. Require the Board of Regents to, in consultation with the Chancellor and faculty of UW- Stevens Point, promulgate rules establishing the criteria and procedures for awarding grants under the program. If the amount in the appropriation is insufficient in any fiscal year to fund all applications for grants, require UW-Stevens Point to use the priorities established in consultation with other entities for awarding grants. Further, require UW-Stevens Point to seek private funds to support the grant program.

Joint Finance: Delete provision.

15. UW-STEVENS POINT PAPER SCIENCE PROGRAM

Governor/Joint Finance: Delete current law that specifies that $78,000 must be allocated for the paper science program from an appropriation under the UW System with $136,700 of annual base funding from the conservation fund. Further, require that the Board of Regents ensure that at least 1.0 full-time equivalent position, funded from this appropriation, is created in the paper science program at UW-Stevens Point.

Under current law, the appropriation is restricted to $78,000 annually for the paper science program and the remaining balance for grants to forest cooperatives. Under the bill, the appropriation would provide the amounts in the schedule of appropriations ($136,700) for the paper science program and grants to forestry cooperatives.

16. PHYSICIAN AND DENTIST LOAN ASSISTANCE PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$120,000	- $120,000	$0

Governor: Provide $60,000 SEG annually over annual base level funding of $250,000 SEG and $488,700 PR from the critical access hospital assessment fund for the physician and dentist and health care provider loan assistance programs. Specify that dentists who agree to practice in one or more eligible practice areas or dental health shortage areas in Wisconsin and who agree to practice in a rural area are eligible for loan repayment of up to $100,000 by the UW Board of Regents under the physician and dentist loan assistance program and subject to current loan

repayment terms that apply to physicians practicing in rural areas under that program. Specify that this first applies to dentists whose applications for the physician and dentist loan assistance program are received on the effective date of the bill.

Currently, under the physician and dentist loan assistance program, the UW Board of Regents may repay up to $50,000 in education loans on behalf of a physician or dentist who agrees to practice in one or more eligible practice areas or dental health shortage areas in this state. For physicians who additionally agree to practice in a rural area, the UW Board of Regents may make loan repayments of up to $100,000. Under the bill, dentists who additionally agree to practice in a rural area would also be eligible for loan repayments of up to $100,000.

Joint Finance: Delete provision.

17. HEALTH CARE PROVIDER LOAN ASSISTANCE

Governor: Expand eligibility to dental therapists under the health care provider loan assistance program. The bill would create a license to practice dental therapy (see "Safety and Professional Services").

Under the health care provider loan assistance program, the Board may repay up to $25,000 in education loans on behalf of a health care provider, defined as a dental hygienist, physician assistant, nurse midwife, or nurse-practitioner, who agrees to practice in one or more eligible practice areas in this state.

Funding from this program is drawn from the same appropriations as the physician and dentist loan program in the previous entry.

Joint Finance: Delete provision.

18. DUAL ENROLLMENT [LFB Paper 593]

Governor: Delete the early college credit program under which high school students can take courses offered by the UW System under current law (see "Public Instruction -- Choice and Charter"). Instead, create a dual enrollment program under which a student attending high school in Wisconsin may be admitted as a non-degree student and may enroll in courses of instruction offered for transcripted credit at any UW institution. Specify that for a student to enroll in such courses, the student must meet the requirements and prerequisites of the course, and there must be space available in the course. Define "transcripted credit" as a program under which the institution in which a high school student is enrolled awards postsecondary credit for successful course completion and issues a transcript from the institution documenting successful completion of the course and the credits awarded for the course, if such a transcript is requested.

Require the Board of Regents to establish policies and implement the program, and to consult with DPI and coordinate with school districts and the governing bodies of private schools where the high school students are enrolled in establishing the program. Prohibit the Board of Regents from charging any tuition, academic fees, or segregated fees to any high school student,

or to the school district or private school in which the student is enrolled, in connection with the student's participation in the program or the student's enrollment in any course under this program.

Require a student who intends to enroll in an institution under this program to notify the school board of the public school district in which the student is enrolled or the governing body of the private school in which the student is enrolled no later than March 1 if the student intends to enroll in the fall semester, or October 1 if the student intends to enroll in the spring semester. Require the notice to include the titles of the courses in which the student intends to enroll and the number of credits of each course, and specify whether the student will be taking the courses for high school credit as well as post-secondary credit.

If the student intends to take a course for high school credit, require the school board or the private school governing body to determine whether the course satisfies any requirements necessary for high school graduation and the number of high school credits to award the student for the course, if any. Require the State Superintendent to develop guidelines to assist school districts and participating private schools in making these determinations. Require the school board or governing body to notify the student of its determinations, in writing, before the beginning of the semester in which the student will be enrolled. Provide that a public school student may appeal a school board's decision to the State Superintendent within 30 days after the decision, and that the State Superintendent's decision would be final and not subject to review under current law governing administrative actions and judicial review. Provide that a student attending a participating private school may appeal the decision to the governing body of the private school within 30 days after the decision.

Require the Board of Regents to implement the program no later than 30 days after the effective date of the bill. If the Board has already received payments of tuition, academic fees, or segregated fees under the early college credit program for the first semester beginning after the effective date of the bill, require the Board to refund all such fees received.

Require the Board of Regents to include postsecondary credits earned by a high school student under this program in policies it is required to established under current law regarding the appropriate transfer of credits between institutions within or outside of the System, and to permit a student to earn credits through a passing score on an examination to determine the student's competency in the subject area of the course if it is determined that the credits are not transferable.

Under current law, high school students enrolled in a public or private school can attend UW institution courses under the early college credit program. Under the program, the cost of a course is shared between the student's school or school district and the state, if the student will receive high school credit for the course, or between the school or school district, the state, and the student, if the student will receive only postsecondary credit for the course. Tuition charged by the UW institution cannot exceed one-third of the amount that would be charged to an individual who is enrolled as a Wisconsin undergraduate student.

Joint Finance: Delete provision.

VETERANS AFFAIRS

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$3,868,600	$5,227,300	$5,227,300	$0	0.0%	$1,358,700	35.1%
FED	5,778,200	5,927,000	5,927,000	0	0.0	148,800	2.6
PR	225,776,800	226,871,500	226,871,500	0	0.0	1,094,700	0.5
SEG	43,767,400	40,153,100	40,153,100	0	0.0	- 3,614,300	- 8.3
TOTAL	$279,191,000	$278,178,900	$278,178,900	$0	0.0%	- $1,012,100	- 0.4%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
FED	16.50	16.50	16.50	0.00	0.00
PR	1,147.30	1,146.74	1,146.74	0.00	- 0.56
SEG	97.90	106.12	106.12	0.00	8.22
TOTAL	1,261.70	1,269.36	1,269.36	0.00	7.66

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

FED	$148,800
PR	- 384,500
SEG	- 368,200
Total	- $603,900

Governor/Joint Finance: Reduce funding by $329,100 ($74,400 FED, -$194,500 PR, and -$209,000 SEG) in 2019-20 and $274,800 ($74,400 FED, -$190,000 PR, and -$159,200 SEG) in 2020-21 to reflect the following standard budget adjustments: (a) -$519,000 PR and -$134,900 SEG annually for turnover reduction; (b) $74,400 FED, -$2,952,800 PR, and -$110,300 SEG annually for full funding of continuing position salaries and fringe benefits; (c) $1,088,300 PR annually for overtime; (d) $2,182,700 PR annually for night and weekend differential pay; (e) $3,200 PR and $36,200 SEG in 2019-20 and $7,700 PR and $86,000 SEG in 2020-21 in 2020-21 for full funding of lease and directed move costs; and (f) $3,100 PR annually for reclassifications and semiautomatic pay progression.

2. GENERAL FUND SUPPLEMENT TO THE VETERANS TRUST FUND [LFB Paper 770]

Governor: Effective July 1, 2020, modify a current appropriation that authorizes the transfer of general fund revenues to the veterans trust fund (VTF) as follows: (a) convert it from a sum certain appropriation to a sum-sufficient appropriation and specify that its purpose is to supplement the VTF if the VTF contains insufficient moneys, as determined by the Secretary of the Department of Administration; (b) transfer the appropriation from DVA to Miscellaneous Appropriations; and (c) provide $15,800,000 GPR in 2020-21 as an estimate of the amount of this transfer, although as a sum-sufficient appropriation, any transfer would not be limited to this amount. The fiscal effect of this provision is reflected in Miscellaneous Appropriations.

The current sum-certain GPR appropriation has no base funding. Instead, in order to maintain a positive balance in the VTF, the Department has made transfers from unencumbered balances in the program revenue appropriations for the veterans homes to the veterans trust fund for the past four years -- $12,000,000 in 2015-16, $9,000,000 in 2016-17, $12,500,000 in 2017-18, and $14,500,000 in 2018-19. The administration anticipates that DVA would make an additional transfer of approximately $13.8 million from the state veterans homes to the VTF in 2019-20 to maintain a positive balance in the fund in that year.

Joint Finance: Increase funding by $13,800,000 GPR in 2019-20 and change the effective date of the GPR supplement appropriation to July 1, 2019. With this change, DVA would not need to transfer surplus program revenues from the veterans homes to the veterans trust fund, beginning in 2019-20. The fiscal effect of the GPR supplement is reflected in Miscellaneous Appropriations.

3. STATE VETERANS HOMES -- CONTRACTED NURSE STAFFING [LFB Paper 771]

PR	$1,500,000

Governor/Joint Finance: Provide $750,000 annually to increase funding for contracted nursing staff at the Veterans Home at King ($500,000 annually) and Veterans Home at Union Grove ($250,000 annually). The funding would be provided on a one-time basis in the 2019-21 biennium, and would be deleted as a standard budget adjustment in the 2021-23 budget. The Department uses contract agencies to supplement permanent position staffing at the state veterans homes, typically to compensate for position vacancies and to reduce the amount of overtime shifts worked by certified nursing assistants. In 2017-18, DVA spent approximately $2.7 million for contract staffing at the King and Union Grove homes.

4. VETERANS OUTREACH AND RECOVERY PROGRAM

	Funding	Positions
SEG	$1,447,200	8.00

Governor/Joint Finance: Provide $723,600 annually and 8.0 positions, beginning in 2019-20, to establish the veterans outreach and recovery program (VORP) as a permanent program. The program was initially established in 2015 and was supported by a one-time federal grant, which expired in 2017. 2017 Wisconsin Act 295 provided $180,000 GPR in 2017-18 and $719,800 GPR and 8.0 GPR project positions to continue the program with

state funding through June 30, 2019, but sunset the program as of that date. Consequently, the one-time funding and position authority provided in Act 295 is not included in the agency's base budget. Create a biennial appropriation from the veterans trust fund to fund the program.

Create statutory provisions relating to the program by requiring DVA to provide outreach, mental health services, and support to individuals who reside in Wisconsin and who may have a mental health condition or substance abuse disorder and for whom either of the following apply: (a) are serving in the National Guard of any state or a reserve component of the U.S. armed forces; or (b) served on active duty in the U.S. armed forces, forces incorporated as part of the U.S. armed forces, a reserve component of the U.S. armed forces, or the National Guard of any state and were discharged under conditions other than dishonorable. Specify that the statutory eligibility criteria for veterans benefits programs do not apply to the program, which generally has the effect of removing state residency requirements, as well as allowing services to be provided for nonveterans currently serving in the National Guard or reserve component of the U.S. armed forces. Specify that the Department may provide payments to facilitate the provision of services under the program.

5. DEBT SERVICE REESTIMATE

GPR	$1,358,700
PR	227,800
SEG	- 3,081,900
Total	- $1,495,400

Governor/Joint Finance: Reduce funding by $1,347,600 ($187,000 GPR, $4,500 PR, and -$1,539,100 SEG) in 2019-20 and by $147,800 ($1,171,700 GPR, $223,300 PR, and -$1,542,800 SEG) in 2020-21 to reflect reestimates of debt service payments for bonds previously issued to fund capital projects at DVA facilities and the final closeout of debt service payments under the veteran mortgage loan program.

The following table shows base funding for DVA's debt service appropriations, the changes to the base under the Governor's reestimates, and the total estimated funding that would be required to make debt service payments from these appropriations in the 2019-21 biennium.

		Change to Base		Total Debt Service Estimate	
Source and Purpose	Base	2019-20	2019-20	2019-20	2020-21
SEG -- Veterans Mortgage Loan Bonds	$1,523,200	-$1,523,200	-$1,523,200	$0	$0
SEG -- Cemetery Bonds	22,700	-15,900	-19,600	6,800	3,100
SEG -- Subtotal	$1,545,900	-$1,539,100	-$1,542,800	$6,800	$3,100
GPR -- Veterans Homes	$1,484,400	$187,000	$1,171,700	$1,671,400	$2,656,100
PR -- Veterans Homes	2,119,200	4,500	223,300	2,123,700	2,342,000
Total	$5,149,500	-$1,347,600	-$147,800	$3,801,900	$5,001,700

6. ELIMINATE VETERANS MORTGAGE LOAN PROGRAM

	Funding	Positions
SEG	- $1,860,000	- 0.34

Governor: Delete the veterans mortgage loan program, the

veterans mortgage loan repayment fund (VMLRF), and related statutory and administrative code provisions. Specify that the assets and liabilities of the VMLRF become the assets and liabilities of the veterans trust fund (VTF) on the effective date of the bill. Reduce funding by $930,000 annually and delete 0.34 position, beginning in 2019-20, to reflect the net effect of the following: (a) the elimination of VMLRF appropriations for general program operations, foreclosure loss payments, and funded reserves, totaling $1,260,000 annually, and the elimination of 2.30 VMLRF positions; and (b) the creation of 1.96 VTF positions, with associated funding of $330,000 annually in the administration of loans and aids to veterans appropriation.

The Department suspended the veterans mortgage loan program in December 2011, citing lack of demand and market conditions. Under the program, the Department issued bonds to make mortgage loans to qualifying veterans. Loan repayments are deposited in the veterans mortgage loan repayment fund and used to pay debt service on the mortgage bonds and administrative costs of the program. In November 2018, the Department sold the remaining loan portfolio to the Wisconsin Housing and Economic Development Authority, using the proceeds to pay off remaining mortgage bond debt.

In addition to the loan program, the VMLRF is also used to support a portion of DVA administrative positions and a portion of the county grants for veterans service offices. This item would transfer the portion of the administrative positions funded by the VMLRF to the VTF. A separate item in the bill would transfer the portion of the county grants made from the VMLRF to the VTF.

Joint Finance: Amend, rather than repeal, the bonding appropriation to eliminate the remaining unissued bonding for the veterans mortgage loan program.

7. COUNTY VETERAN SERVICE OFFICE GRANTS

PR	- $152,400
SEG	152,400
Total	$0

Governor/Joint Finance: Repeal two appropriations that fund grants to county veterans service offices (CVSOs), one funded from the veterans mortgage loan repayment fund (-$342,400 SEG annually), the other funded from transfers of program revenue from the state veterans homes (-$76,200 PR annually). Increase funding for the CVSO grant program by $418,600 SEG from the veterans trust fund (VTF) to replace base funding that would be deleted from these two other sources. Under the bill, a total of $761,000 SEG from the VTF would be budgeted annually to support the CVSO grant program. This amount includes base funding from the VTF ($342,400 SEG) and the funding increase provided from the VTF under this item.

DVA provides grants to counties to support the operations of county veterans service offices. The amount each county receives is based on each county's population. A separate item in the bill would repeal the veterans mortgage loan repayment fund and the Department's veterans mortgage loan programs, which are currently inactive.

8. POSITION REALLOCATION

	Funding	Positions
PR	- $96,200	- 0.56
SEG	96,000	0.56
Total	$0	0.00

Governor/Joint Finance: Delete 0.56 PR position, beginning in 2019-20, and associated PR funding of $48,100 annually in the appropriation for the state veterans homes, and provide corresponding SEG position and funding increases in the administration of loans and aid for veterans appropriation to reflect a reallocation of position authority to match Department functions. The funding for some DVA positions that perform duties crossing over Department functions is split between the funding sources corresponding to those functions. Periodically, the Department assesses these funding splits and requests position and funding reallocations to align funding with functions.

9. APPROPRIATION ADJUSTMENTS

Governor/Joint Finance: Convert the sum certain PR appropriations for the veterans home exchange (a store at the Veterans Home at King where residents may purchase goods) and for veterans cemetery operations to PR continuing appropriations. As continuing appropriations, DVA would be authorized to expend all revenue it collects from the operations of these programs, and would not be required to limit expenditures to budget estimates ($264,900 annually for the home exchange and $292,100 annually for cemetery operations).

In addition, transfer a GPR appropriation for veterans cemetery maintenance and beautification, funded at $23,200 annually from the state veterans homes program to the memorial cemeteries program.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$30,701,400	$25,320,900	$26,390,900	$1,070,000	4.2%	- $4,310,500	- 14.0%
SEG	52,400,000	57,780,500	56,710,500	- 1,070,000	- 1.9	4,310,500	8.2
TOTAL	$83,101,400	$83,101,400	$83,101,400	$0	0.0%	$0	0.0%

FTE Position Summary

As a corporation, there are no state positions for the Wisconsin Economic Development Corporation.

Budget Change Items

1. REESTIMATE WEDC APPROPRIATION LEVELS -- CURRENT LAW

GPR	- $4,310,500
SEG	4,310,500
Total	$0

Governor/Joint Finance: Reduce funding by $2,133,400 GPR in 2019-20 and $2,177,100 GPR in 2020-21 for the Wisconsin Economic Development Corporation's (WEDC) operations and programs sum sufficient GPR appropriation. Increase estimated funding by $2,133,400 SEG in 2019-20 and $2,177,100 SEG in 2020-21 for WEDC's all monies received SEG appropriation from the economic development fund for operations and programs. Maintain base funding for WEDC's brownfield site assessment grants SEG appropriation from the environmental fund. As a result, the administration estimates current law funding provided for WEDC's state appropriations at $41,550,700 all funds in 2019-20 and 2020-21, comprised of: (a) $27,333,400 SEG in 2019-20 and $27,377,100 SEG in 2020-21 from its all monies received operations and programs SEG appropriation; (b) $13,217,300 GPR in 2019-20 and $13,173,600 GPR in 2020-21 from its sum sufficient programs and operations GPR appropriation; and (c) $1,000,000 SEG in 2019-20 and 2020-21 for brownfield site assessment grants.

Under current law, the primary source of WEDC's funding is from the segregated economic development fund. The revenue source for the economic development fund is the economic

development surcharge imposed upon C corporations and S corporations. In addition, WEDC receives a GPR appropriation that is capped at $16,512,500, annually. Funding is also provided from the environmental fund.

2. REESTIMATE WEDC APPROPRIATION LEVELS -- PROPOSED TAX LAW CHANGES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,070,000	$1,070,000	$0
SEG	1,070,000	- 1,070,000	0
Total	$0	$0	$0

Governor: Reduce funding by $590,000 GPR in 2019-20 and by $480,000 GPR in 2020-21 for WEDC's operations and programs sum sufficient GPR appropriation and increase estimated SEG funding by a corresponding amount. As a result, WEDC's appropriation levels are estimated at $41,550,700 annually, comprised of: (a) $12,627,300 GPR in 2019-20 and $12,693,600 GPR in 2020-21 from its sum sufficient programs and operations GPR appropriation; (b) $27,923,400 SEG in 2019-20 and $27,857,100 in 2020-21 from its all monies received operations and programs SEG appropriation; and (c) $1,000,000 SEG in 2019-20 and 2020-21 for brownfield site assessment grants. The reestimate would reflect the estimated increase in economic development surcharge SEG revenues from the Governor's proposed modification to the apportionment of broadcaster income (See "General Fund Taxes -- Income and Franchise Taxes").

Joint Finance: Delete provision.

3. MODIFICATION TO WEDC'S GPR APPROPRIATION FOR OPERATIONS AND PROGRAMS

Governor/Joint Finance: Specify that GPR may be expended from WEDC's sum sufficient appropriation only if there are no unencumbered moneys available in the economic development fund, rather than only if the balance in WEDC's SEG appropriation is $0, as required under current law. According to the administration, the modification better reflects the intent that the first draws for programs and operations should come from the economic development fund until the available balance of the SEG appropriation is depleted.

4. ECONOMIC DEVELOPMENT LIAISON PROJECT POSITION

Governor: Remove authority from WEDC's Board of Directors (Board) to appoint and supervise the economic development liaison position that serves as the state's primary point of contact for any matters regarding the electronic and information technology manufacturing zone tax credit program (Foxconn). Under 2017 Act 58, 1.0 unclassified GPR project position was provided to the Department of Administration (DOA) for economic development liaison activities under an agreement with WEDC through December 31, 2022. However, 2017 Act 369 provided

WEDC's Board with the authority to appoint and supervise the economic development liaison position. This provision would repeal the Act 369 provision and restore the Act 58 provision.

Joint Finance: Delete provision.

5. GRANTS TO REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS

Governor: Require WEDC to award at least $1,000,000 in grants each year to regional economic development organizations (REDOs) to fund economic development activities, including marketing activities. Specify that the amount of a grant to fund marketing activities may not exceed the lesser of: (a) $100,000; or (b) the amount of matching funds the grant recipient obtains from sources other than WEDC or the state.

Under current law, WEDC is required to provide annual grants to REDOs for marketing activity only, subject to the limit described above, but no minimum amount must be awarded. In 2017-18, WEDC entered into nine contracts with REDOs in the aggregate amount of $827,500. The Governor's recommendation would require WEDC to award at least $1.0 million annually in aggregate grants and would expand the types of grants WEDC may award to REDOs.

Joint Finance: Delete provision.

6. DISCLOSURE OF CONTRACTS AND MATERIAL CHANGES TO CONTRACTS OR PROJECTS [LFB Paper 327]

Governor: Require that each contract WEDC executes with a taxpayer under which the taxpayer may be eligible to claim tax benefits in excess of $5,000,000 during the term of the contract include an obligation that the taxpayer promptly notify WEDC of: (a) each material change to a project subject to the contract; and (b) all effects of each material change on the contract's performance goals or requirements, including job retention, creation, or training and capital expenditures, and any effect on the timing of the taxpayer's achievement of the performance goals or requirements. Require WEDC to notify the Joint Committee on Finance of any material change for which WEDC receives notice and, for any contract under which a taxpayer may be eligible to claim tax benefits in excess of $5,000,000 during the term of the contract, of any material change due to an amendment to the contract. These requirements would first apply to contracts entered into, modified, or renewed on the effective date of the bill.

Joint Finance: Delete provision.

7. ONLINE ELECTRONIC DATABASE

Governor: Require WEDC to maintain a searchable, electronic database on its internet website that allows any person to inspect all final contracts, including final amendments to contracts, under which WEDC agrees to provide a grant, loan, or tax benefit. Require WEDC to add a final contract or final amendment to the database no later than 30 days after the contract or amendment is executed.

Joint Finance: Delete provision.

8. WEDC REPORTING ON JOB CREATION AND RETENTION

Governor: Specify that, when reporting on jobs created or retained as a result of its programs in its annual reports on economic development programs to the Legislature, WEDC must only include those jobs which meet the criteria for receiving a grant, loan award, or tax credit. According to the administration, narrowing reporting to the jobs created that conform to program criteria would strengthen the attribution of jobs to the awards credited for creating them.

Joint Finance: Delete provision.

9. MODIFY ANNUAL REPORTING REQUIREMENT TO THE LEGISLATURE

Governor: Require WEDC to annually submit a report to the Legislature by October 1, rather than January 1, identifying the economic development projects that the Board intends to develop and implement during the current fiscal year, instead of the current calendar year. According to the administration, doing so is more efficient because WEDC already publishes its annual report on economic development on that date and develops its economic development plans on a fiscal year basis in line with its operating budget.

Joint Finance: Delete provision.

10. REPEAL REPORTING REQUIREMENTS FOR THE ECONOMIC DEVELOPMENT TAX CREDIT PROGRAM

Governor: Repeal WEDC's annual reporting requirement to the Legislature providing a comprehensive assessment of the economic development tax credit program. The program was sunset after 2015, and the last tax credit award that a business is eligible to earn under the program is for tax year 2019.

Joint Finance: Delete provision.

11. MODIFY QUARTERLY TAX CREDIT REPORT TO DOR

Governor/Joint Finance: Modify WEDC's quarterly tax credit reporting requirement to the Department of Revenue (DOR) such that, for persons whose certification for tax benefits has been revoked, WEDC must identify the amount of tax credits that WEDC determined the person is eligible to have claimed, rather than the amount of credits actually claimed. According to the administration, this provision is a technical correction to an oversight in statutory language.

12. INFORMATION SHARING BETWEEN WEDC AND DOR [LFB Paper 775]

Governor: Provide WEDC authority, to the extent necessary to administer its *economic development programs*, to examine otherwise confidential tax records and, under an agreement with DOR, to obtain copies of tax returns, tax credit claims, and the related schedules, exhibits, writings, and audit reports. Current law allows WEDC to examine the above tax records only to the extent necessary to administer the *development zone tax credit program*, but does not allow WEDC to obtain copies of such records. Specify that records received from DOR pursuant to an agreement are exempt from the requirement that all WEDC records be open to the public.

Joint Finance: Delete provision.

13. REPORTS TO WEDC CONCERNING JOB ELIMINATION OR RELOCATION [LFB Paper 326]

Governor: Specify that a recipient of a WEDC grant, loan, or tax credit may not use the grant, loan, or tax credit to reduce net employment in this state or relocate jobs outside this state. Further, require recipients of a grant, loan, or tax credit to report to WEDC each full-time job in this state that the recipient eliminates or relocates outside this state within seven business days after the job is eliminated or relocated and describe in detail the circumstances of that job elimination or relocation. Specify that, if extenuating circumstances make it impossible for the recipient to submit the report within seven business days, the recipient may submit the report within 30 days after the full-time job is eliminated or relocated.

Joint Finance: Delete provision.

14. WEDC CONTRACTING REQUIREMENTS AND UNDERWRITING REVIEW

Governor: Require that all terms of each contract WEDC executes comply with state law and applicable WEDC policies and procedures at the time the contract is executed. Prior to executing a contract for the award of a grant, loan, or tax credit, require WEDC to establish the number of full-time employees employed by the awardee, for the purpose of accounting for each full-time job created or retained during the course of a contract, through payroll records or other business records WEDC determines are sufficient. Further, require that each contract WEDC executes for the award of a grant, loan, or tax credit obligate the awardee to submit payroll records, or other business records that WEDC determines are sufficient, to verify the number of full-time jobs created or retained during the course of the contract. Require WEDC to adopt policies and procedures establishing standards to verify business records and full-time job data.

Specify that WEDC may not enter into a contract for the award of a grant, loan, or tax credit before the underwriting staff of WEDC completes a review of the application for the grant, loan, or tax credit, including an evaluation of all statutory requirements and all requirements under WEDC policies and procedures that apply to the grant, loan, or tax credit.

Joint Finance: Delete provision.

15. MODIFICATIONS TO WEDC BOARD OF DIRECTORS AND CEO

Governor: Specify several changes to the appointment procedures, composition, and powers of the WEDC Board and chief execute officer (CEO) in order to conform with the law prior to enactment of 2017 Act 369, as described below.

Composition of WEDC Board. Specify that, on the effective date of the bill, WEDC has a 14-member Board, of which 12 would be voting members, including: (a) six members nominated by the Governor who are appointed with the advice and consent of the Senate serving at the pleasure of the Governor for staggered four-year terms; (b) three members appointed by the Assembly Speaker and three members appointed by the Senate Majority Leader, each consisting of one majority member, one minority member, and one person employed in the private sector, each of whom serve at the pleasure of the Assembly Speaker and Senate Majority Leader, respectively; and (c) the Secretary of DOA and the Secretary of DOR would serve as nonvoting members of the Board.

Under current law, pursuant to changes made under Act 369, through September, 2019, WEDC has a 20-member Board, of which 18 are voting members, including: (a) six members nominated by the Governor and appointed with the advice and consent of the Senate, serving at the pleasure of the Governor for staggered four year terms; (b) four members appointed by the Assembly Speaker and four appointed by the Senate Majority Leader serving staggered four-year terms; (c) one additional member appointed by the Assembly Speaker and one additional member appointed by the Senate Majority Leader temporarily serving terms expiring on September 1, 2019; (d) one member appointed by the Assembly Minority Leader and one member appointed by the Senate Minority Leader each serving a four-year term; and (e) the DOA Secretary and the DOR Secretary each serve as nonvoting members. Beginning in October, 2019, after the expiration of the term of the temporary Board members under "c", WEDC will have an 18-member Board, of which 16 are voting members.

Appointment of WEDC CEO. Specify that the CEO would be nominated by the Governor, with the advice and consent of the Senate, serving at the pleasure of the Governor. Under current law, pursuant to Act 369, the CEO is temporarily nominated by the Board and serves at the pleasure of the Board through September 1, 2019, after which the CEO is nominated by the Governor, serving at the pleasure of the Governor. Thus, the bill would sunset the Act 369 provision on the effective date of the bill, rather than on September 1, 2019.

Joint Finance: Delete provision.

16. TAX CREDIT MODIFICATIONS

Governor/Joint Finance: Make a number of modifications to tax credit programs that are administered, in part, by WEDC, which are described in "General Fund Taxes -- Income and Franchise Taxes."

17. FABRICATION LABORATORIES GRANT PROGRAM

Joint Finance: Require WEDC to provide at least $500,000 SEG in 2019-20 and 2020-21 to continue a fabrication laboratory program substantially similar to the program under section 238.145, 2015 stats., from its economic development fund operations and programs SEG appropriation.

WEDC was provided $500,000 GPR in 2015-16, pursuant to Act 55, to develop and implement a program to make grants to eligible recipients for purchases of equipment used in fabrication laboratories for instructional and educational purposes by grade school, junior high school, and high school students. The statutes that created the fabrication laboratory grant program were repealed under 2017 Act 59, which instead required that WEDC continue to provide funding of at least $500,000 in 2017-18 and 2018-19 from either its operations and programs GPR appropriation or its economic development fund operations and programs SEG appropriation to implement a program substantially similar to the Act 55 program. This provision would require WEDC to continue the grant program through the 2019-21 biennium.

18. ECONOMIC DEVELOPMENT GRANT FOR MILWAUKEE 7 ECONOMIC DEVELOPMENT PARTNERSHIP

Joint Finance: Require WEDC to allocate funding of $250,000 in 2019-20 from its economic development fund operations and programs SEG appropriation to the Milwaukee 7 Economic Development Partnership to support efforts by the 128th air refueling wing of the Wisconsin Air National Guard to secure basing of the U.S. Air Force's KC-46 tanker aircraft.

19. TRANSFER UNENCUMBERED ECONOMIC DEVELOPMENT FUNDS

GPR-REV	$30,000,000

Joint Finance: Require WEDC to make a payment of $30,000,000 for deposit into the state's general fund on or before January 1, 2020.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Budget Change Item

1. INCREASE CAPITAL RESERVE FUND BONDING AUTHORIZATION

Governor: Increase the limit of outstanding bonds backed by the Wisconsin Housing and Economic Development Authority's (WHEDA) capital reserve fund from $600 million to $1 billion. Under current law, WHEDA manages a capital reserve fund, which must maintain a balance sufficient to cover the maximum amount of debt service expected in one year for all bond issues backed by the fund. As of December 31, 2018, $398.7 million in outstanding bonds were backed by the capital reserve fund. As WHEDA operates as an independent authority, bonds issued under its authority do not carry the general obligation of the state. However, the state has pledged its moral obligation to the capital reserve should it become deficient; no such deficiency has ever occurred. This provision would not have a direct state fiscal effect.

WHEDA reports the proposed increase is necessary to support increased demand for bonding caused by creation of the state low-income housing tax credit under 2017 Wisconsin Act 176. Under the law, developments applying for state tax credits must be financed with tax-exempt bonds, which are issued by WHEDA.

While WHEDA may elect to issue bonds without the backing of the capital reserve fund, the Authority reports that any such issuance would be expected to cost more for both borrowers and WHEDA. The increased cost would come from less favorable credit ratings on bonds not backed by the capital reserve fund, since the current resolution of bonds backed by the fund is well collateralized and long-standing, which results in a favorable risk profile. Further, bond issuance not backed by the fund would require certain upfront costs associated with creating a new resolution.

Joint Finance: Modify the Governor's proposal to increase the capital reserve fund limit to $800 million, instead of $1 billion.

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$1,039,215,800	$1,057,524,600	$1,064,524,600	$7,000,000	0.7%	$25,308,800	2.4%
FED	65,786,400	66,012,200	66,012,200	0	0.0	225,800	0.3
PR	9,193,600	9,253,200	9,253,200	0	0.0	59,600	0.6
TOTAL	$1,114,195,800	$1,132,790,000	$1,139,790,000	$7,000,000	0.6%	$25,594,200	2.3%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	23.25	23.25	23.25	0.00	0.00
FED	26.75	26.75	26.75	0.00	0.00
PR	6.00	5.00	5.00	0.00	- 1.00
TOTAL	56.00	55.00	55.00	0.00	- 1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$308,800	0.00
FED	225,800	0.00
PR	59,600	- 1.00
Total	$594,200	- 1.00

Governor/Joint Finance: Modify the base budget by $151,400 GPR, $109,900 FED, and $29,100 PR in 2019-20 and $157,400 GPR, $115,900 FED, and $30,500 PR in 2020-21 and -1.0 PR position annually for: (a) removal of noncontinuing elements from the base (-1.0 PR position annually); (b) full funding of continuing position salaries and fringe benefits ($147,800 GPR, $106,300 FED, and $28,200 PR annually); and (c) full funding of lease and directed moves costs ($3,600 GPR, $3,600 FED, and $900 PR in 2019-20, and $9,600 GPR, $9,600 FED, and $2,300 PR in 2020-21).

2. GENERAL AID [LFB Paper 790]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$18,000,000	$7,000,000	$25,000,000

Governor: Provide an increase of $6,000,000 in 2019-20 and $12,000,000 in 2020-21 in the appropriation for state general aid for technical colleges. This additional funding would be allocated under current law that specifies that 70% of the funding in the appropriation is distributed under the partially equalizing general aid formula and 30% is distributed under the formula established for performance-based funding. Base level funding is equal to $88,534,900 GPR.

Joint Finance: Provide an additional $6,500,000 in 2019-20 and $500,000 in 2020-21.

3. REVENUE LIMIT -- 2% MINIMUM INCREASE

Governor: Modify the revenue limit restriction for technical college districts to prohibit each district board from increasing its revenue by a percentage that exceeds 2% or the district's valuation factor, whichever is greater. Specify that this provision would first apply to revenue increases in the 2019-20 school year.

Under current law, each technical college district is prohibited from increasing its revenue in any year by a percentage greater than the district's valuation factor. The valuation factor is defined as the greater of either zero percent or the percentage change in the district's January 1 equalization value due to the aggregate new construction, less improvements removed, in municipalities located in the district between the previous year and the current year, as defined by the Department of Revenue. For purposes of this revenue limit, revenue is defined as the sum of the tax levy and state property tax relief aid. State general and categorical aids are not counted towards the revenue limit.

In 2018-19, valuation factors ranged from 0.7% in Nicolet to 2.2% in Chippewa Valley and Madison. The statewide average was equal to 1.5%.

Joint Finance: Delete provision.

4. DUAL ENROLLMENT [LFB Paper 593]

Governor: Delete the program under which high school students can take courses offered by technical colleges under current law.

Instead, create a dual enrollment program under which a student attending high school in Wisconsin may be admitted as a non-degree student to the technical colleges located in the technical college district in which the student resides, and may enroll in courses of instruction offered for transcripted credit. Specify that for a student to enroll in such courses, the student must meet the requirements and prerequisites of the course, and there must be space available in the

course. Define "transcripted credit" as a program under which the technical college in which a high school student is enrolled awards postsecondary credit for successful course completion and issues a transcript from the technical college documenting successful completion of the course and the credits awarded for the course, if such a transcript is requested.

Require each district board to establish policies and implement the program, and in establishing the program to consult with DPI and coordinate with school districts and the governing bodies of private schools where the high school students are enrolled. Prohibit a district board from charging any fees to any high school student, or to the school district or private school in which the student is enrolled, in connection with the student's participation in the program or the student's enrollment in any course under this program.

Require a student who intends to enroll in a technical college under this program to notify the school board of the public school district in which the student is enrolled or the governing body of the private school in which the student is enrolled no later than March 1 if the student intends to enroll in the fall semester, or October 1 if the student intends to enroll in the spring semester. Require the notice to include the titles of the courses in which the student intends to enroll and the number of credits of each course, and specify whether the student will be taking the courses for high school credit as well as post-secondary credit.

If the student intends to take a course for high school credit, require the school board or the private school governing body to determine whether the course satisfies any requirements necessary for high school graduation and the number of high school credits to award the student for the course, if any. Require the State Superintendent to develop guidelines to assist school districts and participating private schools in making these determinations, in cooperation with the WTCS System Board and the district boards. Require the school board or governing body to notify the student of its determinations, in writing, before the beginning of the semester in which the student will be enrolled. Provide that a public school student may appeal a school board's decision to the State Superintendent within 30 days after the decision, and that the State Superintendent's decision would be final and not subject to review under current law governing administrative actions and judicial review. Provide that a student attending a participating private school may appeal the decision to the governing body of the private school within 30 days after the decision.

Require each district board to implement the program no later than 30 days after the effective date of the bill. If the district board has already received payments of fees under the current law program for the first semester beginning after the effective date of the bill, require the district board to refund all such fees received.

Under current law, juniors and seniors enrolled in a public high school may take technical college courses under a dual enrollment program specific to WTCS. Under the program, a student does not pay for a college course if the district determines the course qualifies for high school credit and is not comparable to a course offered in the district. If approved by the district, the student can receive both high school and college credit upon successful completion of the course.

Joint Finance: Delete provision.

5. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS

Governor: Specify that a person who is a citizen of a country other than the United States would be considered a resident of Wisconsin for the purposes of technical college admission and tuition if he or she meets all of the following requirements: (a) the person graduated from a high school in this state or received a declaration of equivalency of high school graduation from this state; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in this state or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in a technical college district school and provides the district board with proof that the person has filed or will file an application for a permanent resident visa with U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Specify that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

Joint Finance: Delete provision.

6. MODIFY STATUTORY REFERENCES TO INDIVIDUALS WITH DISABILITIES

Governor/Joint Finance: Delete statutory references to "the handicapped," and instead use the term "individuals with disabilities" or "students with disabilities."

WORKFORCE DEVELOPMENT

Budget Summary

Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$92,758,400	$80,325,200	$106,364,800	$26,039,600	32.4%	$13,606,400	14.7%
FED	414,823,200	404,276,700	404,276,700	0	0.0	- 10,546,500	- 2.5
PR	153,424,800	154,592,200	154,592,200	0	0.0	1,167,400	0.8
SEG	50,067,000	51,345,000	51,345,000	0	0.0	1,278,000	2.6
TOTAL	$711,073,400	$690,539,100	$716,578,700	$26,039,600	3.8%	$5,505,300	0.8%

FTE Position Summary

Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	Joint Finance Change to: Governor	2018-19 Base
GPR	150.82	150.82	150.82	0.00	0.00
FED	1,167.18	1,164.18	1,164.18	0.00	- 3.00
PR	218.25	218.25	218.25	0.00	0.00
SEG	72.80	109.30	72.80	- 36.50	0.00
TOTAL	1,609.05	1,642.55	1,606.05	- 36.50	- 3.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$1,073,800	0.00
FED	3,472,200	- 3.00
PR	1,167,400	0.00
SEG	1,278,000	0.00
Total	$6,991,400	- 3.00

Governor/Joint Finance: Adjust the agency's base budget by $527,000 GPR, $1,709,000 FED, -3.00 FED positions, $553,100 PR, and $633,300 SEG in 2019-20, and $546,800 GPR, $1,763,200 FED, $614,300 PR, and $644,700 SEG in 2020-21. The adjustments are for: (a) turnover reduction (-$226,100 GPR, -$1,689,200 FED, -$446,800 PR, -$89,300 SEG annually); (b) removal of noncontinuing elements from the base (-$347,400 FED and -3.00 FED positions in 2019-20 and -$372,700 FED in 2020-21); (c) full funding of continuing position salaries and fringe benefits ($726,700 GPR,

$4,432,400 FED, $396,400 PR, and $645,100 SEG annually); (d) overtime ($153,600 PR annually); and (e) full funding of lease and directed moves costs ($26,400 GPR, -$686,800 FED, $449,900 PR, and $77,500 SEG in 2019-20, and $46,200 GPR, -$607,300 FED, $511,100 PR, and $88,900 SEG in 2020-21).

Incorporate the changes enacted as part of 2017 Wisconsin Act 370, which converted the Department of Workforce Development's (DWD) continuing GPR appropriation for workforce training grants and services into eight separate annual GPR appropriations.

2. TRANSFER WORKER'S COMPENSATION ADJUDICATORY FUNCTIONS FROM DHA TO DWD

	Positions Governor (Chg. to Base)	Positions Jt. Finance (Chg. to Gov)	Positions Net Change
SEG	36.50	- 36.50	0.00

Governor: Transfer the adjudicatory functions related to a contested worker's compensation claim from the Department of Administration (DOA) Division of Hearings and Appeals (DHA) to DWD and transfer 36.5 positions to DWD related to these functions. Funding associated with the 36.5 positions would continue to be provided from DWD's worker's compensation SEG appropriation, but convert supplies and services funding of $2,400,000 in 2019-20 and $4,800,000 in 2020-21 as follows to reflect the transfer of positions from DHA to DWD: (a) in 2019-20, $1,643,400 in permanent position salaries and $756,600 in fringe benefits; and (b) in 2020-21, $3,286,800 in permanent positions salaries and $1,513,200 in fringe benefits. Specify that the effective date of the transfer would be January 1, 2020.

Repeal the transfer of adjudicatory functions from DWD to DHA as provided under 2015 Wisconsin Act 55 and repeal statutory references giving DHA concurrent jurisdiction over certain program matters. Modify statutory sections within the state's Worker's Compensation Act (Chapter 102) that currently refer to DHA ("Division") to instead refer to DWD ("Department").

Under current law, DWD and DHA jointly administer the state worker's compensation law. DWD is primarily responsible for worker's compensation claims where a formal hearing is not scheduled, and DHA hears contested claims. Prior to 2015 Act 55, DWD performed all administrative responsibilities and most adjudicatory functions related to worker's compensation. Adjudicatory functions include hearing disputed worker's compensation claims, adjudicating disputes over the reasonableness of fees charged for health services provided to an injured employee and of the amount charged for prescription drugs dispensed to an injured employee (reasonableness of fees), and hearing disputes over the necessity of treatment provided to an injured employee (necessity of treatment). Act 55 transferred these worker's compensation adjudicatory functions and 32.0 positions from DWD to DHA. 2017 Wisconsin Act 59 transferred an additional 4.5 positions related to the adjudication of worker's compensation claims from DWD to DHA.

Provide that on the effective date of the transfer, 36.5 DHA positions, assets, liabilities, tangible personal property, pending matters, contracts, administrative rules, and orders primarily related to worker's compensation matters, as determined by the DOA Secretary, transfer to DWD. Provide that incumbent employees transferred to DWD would retain their employee rights and status held immediately before the transfer, and provide that employees transferred to DWD who have attained permanent status would not be required to serve a probationary period. Provide that DWD would carry out any obligations under any contracts transferred from DHA related to the program, unless modified or rescinded by DWD to the extent allowed by the contract. Provide that any worker's compensation matter pending with DHA transfer to DWD. All materials submitted to, or actions taken by, DHA related to the pending matters would be considered as having been submitted to or taken by DWD. Provide that all orders issued and administrative rules promulgated by DHA in effect on the effective date of the transfer that are primarily related to worker's compensation matters, as determined by the DOA Secretary, would remain in effect until their specified expiration dates or until amended or repealed by DWD. [See "Administration -- Transfers."]

Joint Finance: Delete provision.

3. FEDERAL APPROPRIATIONS REESTIMATE

FED	- $14,018,700

Governor/Joint Finance: Delete $6,487,900 in 2019-20 and $7,530,800 in 2020-21 to align federal expenditure authority with the amount of revenue that DWD estimates will be deposited into appropriations. The adjustments are as follows:

DWD Federal Appropriations Reestimates

Appropriation	2019-20	2020-21
Workforce investment and assistance	-$2,904,400	-$2,904,400
Unemployment administration	1,264,500	1,208,800
Vocational rehabilitation; project aids	-4,848,000	-5,835,200
Total	-$6,487,900	-$7,530,800

4. LABOR AND INDUSTRY REVIEW COMMISSION ADMINISTRATIVE ATTACHMENT

Governor: Transfer the administrative attachment for the Labor and Industry Review Commission (LIRC) from DOA to DWD. LIRC would be attached to DWD under s. 15.03 of the statutes for limited administrative purposes, such as accounting, budget, and general program management. Under current law and the bill, LIRC retains policy-making and adjudicatory functions prescribed to it. Also, LIRC's biennial agency budget request is to be forwarded to the Governor without change by the agency to which LIRC is attached, except instances in which LIRC agrees to any change.

Joint Finance: Delete provision.

5. INDEPENDENT LIVING CENTERS

Governor/Joint Finance: Amend DWD's vocational rehabilitation services program federal aids and operations appropriation to specify that from the moneys received from the Social Security Administration, pursuant to federal law, DWD must in each fiscal year transfer the lesser of $600,000 or the amount received to the Department of Health Services (DHS) independent living center grants appropriation.

Current law requires DWD to transfer $600,000 to DHS. DWD receives money from the federal Social Security Administration as reimbursement for individuals who gain employment with assistance from the vocational rehabilitation program and no longer receive certain benefits from the Social Security Administration. DWD subsequently transfers funding to DHS, who uses it to provide grants to independent living centers for providing non-residential services to disabled individuals.

Employment and Training

1. CAREER AND TECHNICAL EDUCATION GRANTS AND COMPLETION AWARDS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $7,000,000	$13,000,000	$6,000,000

Governor: Transfer the authority to award career and technical education (CTE) incentive grants and career and technical education completion awards from DWD to the Department of Public Instruction (DPI). Delete $3,500,000 annually for the incentive grants and transfer the career and technical education incentive grants annual appropriation to DPI. Transfer the GPR sum sufficient appropriation for the career and technical education completion awards to DPI.

The career and technical education incentive grant program awards incentive grants of $1,000 to school districts for each person completing an approved industry-recognized certification program. The technical education completion award program provides completion awards of $500 to each person who completes an industry-recognized certification program. The bill would transfer authority to approve programs eligible for grant funding to the State Superintendent, as well as the authority to prorate payments if funding for CTE grants is insufficient to fully fund payments in any year.

Repeal the requirement that DWD and DPI enter into a memorandum of understanding setting forth their respective responsibilities in administering the program, and requiring DWD to annually provide funds to DPI to make payments under the programs. Maintain the requirement

that the State Superintendent annually confer with DWD and the Wisconsin Technical College System (WTCS) to identify industries and occupations facing workforce shortages or shortages of adequately trained, entry-level workers, and annually notify school districts of the identified industries and occupations. [See "Public Instruction -- Categorical Aids."]

Joint Finance: Delete provision and retain the programs in DWD. Provide $3,000,000 GPR annually in additional funding to the Department's CTE incentive grants annual appropriation for funding CTE incentive grant payments to school districts. Total funding for CTE incentive grant payments would be $6,500,000 GPR annually.

2. LOCAL YOUTH APPRENTICESHIP GRANTS

GPR	$5,532,600

Joint Finance: Provide $2,766,300 GPR annually in additional funding to the Department's annual appropriation for the purposes of funding local youth apprenticeship (YA) grants. Total funding for YA grants would be $5,000,000 GPR annually.

3. DELETE EARLY COLLEGE CREDIT PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $3,507,000	$3,507,000	$0

Governor: Repeal DWD's tuition reimbursement GPR appropriation and delete $1,753,500 annually. Under current law, the amounts in the appropriation are to reimburse DPI for payments made to school districts under the early college credit program. The program allows high school pupils to enroll in an institution of higher education for the purpose of taking courses for high school credit, college credit, or both. DWD reimburses school districts and governing bodies of private schools as follows for the eligible tuition costs of pupils taking higher education courses: (a) 25% of tuition costs for courses taken for high school credit; or (b) 50% of tuition costs for courses taken for postsecondary credit. The bill would delete the early college credit program, and instead create new dual enrollment programs under the UW System and WTCS. [See "Public Instruction -- Choice, Charter, and Open Enrollment," "Wisconsin Technical College System," and "University of Wisconsin System."]

Joint Finance: Delete provision.

4. TECHNICAL EDUCATION EQUIPMENT GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,000,000	$2,000,000	$1,000,000

Governor: Transfer $500,000 GPR annually and DWD's technical education equipment

grant annual appropriation to DPI. Transfer from DWD to DPI all provisions in current law that specify the requirements of awarding grants under the technical education equipment grant program. [See "Public Instruction -- Categorical Aids."]

The technical education equipment grant program awards up to $50,000 for school districts to purchase equipment and related software used in advanced manufacturing fields and to train pupils on such equipment. Districts must match at least double the amount of a technical education equipment grant.

Joint Finance: Delete provision and retain the program in DWD. Provide $500,000 GPR annually in additional funding for technical education equipment grants to school districts. Total funding for equipment grant awards would be $1,000,000 annually.

5. TEACHER DEVELOPMENT GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,000,000	$1,000,000	$0

Governor: Repeal DWD's grants for teacher training GPR appropriation and delete $500,000 annually associated with the appropriation. Combine certain provisions from DWD's teacher training program funded from this appropriation with certain provisions from DWD's teacher development grant program and transfer the combined teacher development training and recruitment grants program to DPI. Rename and transfer DWD's teacher development program grants annual GPR appropriation to DPI to fund the newly created grants program under DPI. [See "Public Instruction -- Categorical Aids."]

Under current law, DWD's teacher training and recruitment grants program requires DWD to grant funds to nonprofit organizations, with preference given to those that train future teachers who are enrolled in an accredited college or university, that provide continuing education and professional development, and that attempt to place a majority of participants in public or private schools located in low-income or urban school districts in this state.

Under current law, DWD's teacher development grants program requires DWD to award grants to a school board, to the governing body of a private school, or to a charter management organization that has partnered with a DPI-approved educator preparation program to design and implement a teacher development program that satisfies program requirements as specified under DPI.

Joint Finance: Delete provision. The teacher training and recruitment grant program and the teacher development grant program would remain in DWD.

6. FAST FORWARD

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $500,000	$500,000	$0

Governor: Transfer $250,000 annually from the Department's workforce training grants appropriation ("Fast Forward") to DPI for the administration of the teacher development training and recruitment grants program, as transferred to DPI under the bill. [See "Public Instruction -- Categorical Aids."]

Joint Finance: Delete provision. The bill as amended by Joint Finance would maintain base funding of $6,250,000 GPR annually for DWD's Fast Forward appropriation. This level of funding would support continuing workforce training grants, as well as several additional required expenditures described in the following entries.

7. EMPLOYEE TRAINING GRANTS TO SHIPBUILDERS [LFB Paper 800]

Governor: Require DWD to allocate $1,000,000 from the Department's workforce training grants GPR appropriation ("Fast Forward") in the 2019-21 fiscal biennium for grants to shipbuilders in this state to train new and current employees. Specify that a shipbuilder that receives a grant under this provision must expend all grant moneys before July 1, 2021, for purposes of training new and current employees. Although not specified in the bill, funding is intended for activities to be conducted by or on behalf of Fincantieri Marinette Marine.

Joint Finance: Modify the provision to require DWD to allocate from the Department's Fast Forward appropriation $1,000,000 GPR in each year of the 2019-21 biennium for grants to shipbuilders to incorporate the funding changes included in DOA's errata letter. The total required allocation from DWD to shipbuilders (Marinette Marine) in the 2019-21 biennium would be $2,000,000 GPR.

8. MOBILE CLASSROOMS AND INSTITUTIONAL JOB CENTERS

Joint Finance: Require DWD to allocate from the Department's workforce training grants GPR appropriation ("Fast Forward") $425,000 in 2019-20 and $582,500 in 2020-21 for grants to the Department of Corrections (DOC) for mobile classrooms and institutional job centers. Of the amounts allocated, $200,000 in 2019-20 and $320,000 in 2020-21 would be allocated for grants to DOC to fund the creation and operation of mobile classrooms. Additionally, $225,000 in 2019-20 and $262,500 in 2020-21 would be allocated for grants to DOC to fund the creation and operation of institutional job centers at six eligible institutions in 2019-20 and at seven eligible institutions in 2020-21. An "eligible institution" would be a minimum-security correctional institution or a medium-security prison. Additionally, specify DOC may not use a grant for more than one institutional job center at any eligible institution.

9. PROJECT SEARCH [LFB Paper 800]

Governor/Joint Finance: Require DWD to allocate $250,000 annually from the Department's workforce training grants GPR appropriation ("Fast Forward") for contracts entered into by DWD to provide services to persons with disabilities under the Project SEARCH program operated by the Cincinnati Children's Hospital or its successor organization. Authorize DWD to enter into contracts under this provision, and in statutes for general agency contracting, create for Project SEARCH contracts an exception to the requirement that the agency must find services that can be provided more economically or efficiently by contract. Modify DWD's workforce training grants appropriation to allow as an eligible expense costs associated with these contracts.

Project SEARCH is a nine- to 12-month program that provides training and education leading to integrated employment for youth with disabilities. Project SEARCH is based on a collaboration that includes a local business, school districts, and DWD's Division of Vocational Rehabilitation.

10. NORTHCENTRAL TECHNICAL COLLEGE WORKFORCE TRAINING IN COUNTY JAIL FACILITIES

Joint Finance: Require DWD to award $75,000 annually in the 2019-21 biennium from the Department's workforce training grants GPR appropriation ("Fast Forward") to the district board for Northcentral Technical College (NTC) for workforce training in county jail facilities. Specify that DWD may not require any matching funds to be provided as a condition of receiving the grants and that the Department must award the grants to NTC notwithstanding any otherwise applicable eligibility criteria.

11. PERSONAL CARE WORKER GRANTS

Joint Finance: Authorize as eligible under the Department's workforce training grants GPR appropriation ("Fast Forward") programs that promote the attraction and retention of personal care workers. Require DWD to allocate moneys in the 2019-21 fiscal biennium from the Fast Forward appropriation for a grant program that promotes the attraction and retention of personal care workers who provide home-based care and community-based care, and that focuses on providing quality care. The bill would not specify the amount to be allocated.

12. YOUTH SUMMER JOBS PROGRAM

Joint Finance: Expand eligibility for the Department's youth summer jobs program to include programs outside first-class cities (City of Milwaukee). Under current law, DWD is provided $422,400 in base funding in an annual appropriation to implement and operate a youth summer jobs program in a first-class city.

13. ELIMINATE WISCONSIN CAREER CREATOR PROGRAM [LFB Paper 800]

Governor: Repeal DWD's continuing GPR appropriation for a worker training and employment program ("career creator"). Eliminate the requirement that, of the amounts provided in the 2019-21 fiscal biennium, DWD allocate $20,000,000 to provide funding to facilitate worker training and employment in this state. Repeal provisions associated with the career creator program, including the requirement that DWD consult with the WTCS Board and the Wisconsin Economic Development Corporation in implementing the program and submit a plan for implementing the program to the Joint Committee on Finance. The Wisconsin career creator program was created under 2017 Wisconsin Act 58, which authorizes tax incentives and other considerations to a business (Foxconn) in an electronics and information technology manufacturing zone. Act 58 did not provide the program base funding in the 2017-19 biennium.

Joint Finance: Delete provision.

Unemployment Insurance

1. UI DRUG TESTING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $500,000	$500,000	$0

Governor: Repeal the unemployment insurance (UI) administration controlled substances testing and treatment appropriation and delete funding of $250,000 annually associated with the elimination of the biennial appropriation. Under current law, the funding is for conducting screenings of UI applicants, testing applicants for controlled substances, and providing substance abuse treatment to applicants and claimants. The unencumbered balance on June 30 of each odd-numbered year must be transferred to the unemployment program integrity fund. These provisions would be deleted under the bill.

Repeal the requirement that DWD establish a UI occupational drug testing program. 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 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. Under federal law, the state may only require drug testing under the program in accordance with U.S. Department of Labor regulations, and final rules regarding which occupations can be subject to drug testing have not been issued.

Repeal all provisions of the UI pre-employment drug testing program. Under current law, an employer may voluntarily submit to DWD the results of a test for the unlawful use of controlled substances that was conducted on an individual as pre-employment screening or notify DWD that an individual declined to submit to such a test as a condition of employment. If an individual tests positive for controlled substances without a valid prescription for the drug, or if the individual refuses to take the test, there is a rebuttable presumption that the claimant refused to accept suitable work. If an employer reports that an individual refused to submit to a drug test or tested positive for a controlled substance, the claimant would be ineligible for UI benefits until the individual earns wages in subsequent employment equal to at least six times the individual's weekly benefit rate. A claimant who tests positive for a controlled substance as part of a pre-employment screening may maintain eligibility for UI benefits for each week in which the claimant is in full compliance with a state-sponsored substance abuse treatment program and a state-sponsored job skills assessment.

Provide that the effective date of the repeal of the pre-employment drug testing program and the occupational drug testing program would be the Sunday after publication of the bill, with the repeal of the pre-employment drug testing program first applying to initial claims for benefits filed on the Sunday after publication of the bill.

Joint Finance: Delete provision.

2. UI WEEKLY BENEFIT RATE

Governor: Increase the maximum weekly benefit rate for each eligible UI recipient from $370 to $406 for each week of total unemployment that commences on or after January 5, 2020. The current maximum weekly benefit rate of $370 has been in effect since January 6, 2014. The current minimum weekly benefit rate that an eligible UI recipient could qualify for would remain unchanged at $54.

Under current law, the weekly benefit rate equals 4% of the employee's base period wages that were paid during that quarter of the employee's base period in which the employee was paid the highest total wages. If that amount is less than $54, no benefits are payable to the employee. If that amount is more than the maximum weekly benefit rate, the employee's weekly benefit rate is the maximum rate. Under current law, the minimum weekly benefit rate of $54 requires high-quarter earnings of $1,350 while the maximum weekly benefit rate of $370 requires high-quarter earnings of $9,250.

Specify that the effective date of the provision would be the first Sunday of the third month beginning after publication of the bill.

Joint Finance: Delete provision.

3. UI WAITING PERIOD

Governor: Repeal the one-week waiting period requirement for UI benefits. Under this provision, a claimant for UI benefits would start receiving benefit payments beginning with the individual's first week of eligibility.

Under current law, the claimant's waiting period is the first week of a claimant's benefit year for which the claimant is otherwise eligible for regular benefits. During a claimant's waiting period, no benefits are payable to the claimant. The current one-week waiting period went into effect with all benefit years starting as of January 1, 2012. The waiting period does not affect a claimant's maximum benefit amount. A claimant must serve one waiting week per benefit year.

The effective date of this provision would be the first Sunday after publication of the bill. This provision would first apply to a claimant benefit year beginning on that effective date.

Joint Finance: Delete provision.

4. UI WAGE THRESHOLD

Governor: Require DWD to annually adjust the UI wage threshold amount for receipt of UI benefits (currently $500) by the average annual percentage change in the U.S. Consumer Price Index for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor, effective January 1 of each year, with the first adjustment being effective on January 1, 2020. Specify that DWD must annually have the revised wage threshold amount published in the Wisconsin Administrative Register.

Under current law, regular UI benefits may be available to individuals who are partially employed during a week but not receiving more than $500 during that week in wages earned for work performed in that week, sick pay, holiday pay, vacation pay, termination pay, bonus pay, back pay, or any combination thereof.

Joint Finance: Delete provision.

5. UI SUITABLE WORK

Governor: Modify provisions that define suitable work and what is considered good cause for failing to accept suitable work for UI claimants.

Provide that an employee has good cause for failing to return to work or accept suitable work, regardless of the reason articulated by the employee for the failure, if DWD determines that: (a) the failure involved work at a lower grade of skill or significantly lower rate of pay than applied to the employee on one or more recent jobs; and (b) that the employee had not yet had a reasonable opportunity, considering labor market conditions and the employee's degree of skill, to seek a new

job substantially in line with the employee's prior job skill and rate of pay, provided the term of unemployment does not exceed six weeks.

Require DWD to define, by rule, what constitutes suitable work for claimants, which must specify different levels of suitable work based upon the number of weeks that a claimant has received benefits in a given benefit year.

Under current law, if an employee fails, without good cause, to accept suitable work when offered, the employee is ineligible to receive benefits until the employee re-establishes eligibility by earning wages in subsequent covered employment. In the first six weeks after the employee became unemployed, suitable work means: (a) the work does not involve a lower grade of skill than one or more of his or her most recent jobs, and (b) the hourly wage for the work is 75% or more of what the employee earned on the highest paying of his or her most recent jobs. Beginning in the seventh week after the employee became unemployed, suitable work means any work that the employee is capable of performing, regardless of whether the employee has any relevant experience or training, that pays wages that are above the lowest quartile of wages for similar work in the labor market area in which the work is located, as determined by DWD. An employee is considered to have good cause for failing to accept suitable work for reasons including the employee's personal safety, sincerely held religious beliefs, an unreasonable commuting distance, or other compelling reason. The bill would delete these provisions.

Require DWD to submit a notice to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register when DWD determines that it has rules in place to define suitable work.

Specify that these provisions initially apply to UI benefit determinations issued on the effective date of the bill. Provide that these provisions take effect on the date the rules are published in the Wisconsin Administrative Register or on January 3, 2021, whichever occurs first.

Joint Finance: Delete provision.

6. UI SUBSTANTIAL FAULT

Governor: Modify the definition of substantial fault in current law. Modify provisions in current law that specify that an employee terminated for substantial fault is ineligible to receive UI benefits until certain conditions are met.

Under current law, DWD uses a two-tier standard to determine whether claimants who are discharged qualify for UI benefits. A claimant will be disqualified if they are discharged for misconduct or for substantial fault connected with the employment. If it cannot be determined that the employee was discharged for misconduct, a disqualification under substantial fault is considered by the Department. The definition of “substantial fault” includes acts or omissions of an employee over which the employee exercised reasonable control and that violate the employer's reasonable requirements. Substantial fault essentially means that if an employer establishes a reasonable job policy to which an employee can conform, failure to conform constitutes substantial fault. An employee who is discharged for misconduct or substantial fault connected with his or her

employment will have total entitlement for benefits reduced with respect to wages from the discharging employer and is ineligible for benefits based on work for other employers unless he or she requalifies. To requalify, seven weeks must elapse since the end of the week in which the discharge occurs and the employee must earn wages in subsequent covered employment equal to at least 14 times the weekly benefit rate he or she would have received if termination had not occurred.

The bill would replace the substantial fault provision with a provision on absenteeism or tardiness by an employee. Under the bill, tardiness becomes excessive if an employee is late for six or more scheduled workdays in the 12-month period preceding the date of the discharge without providing adequate notice to his or her employer. Also under the bill, absenteeism becomes excessive if an employee is absent for five or more scheduled workdays in the 12-month period preceding the date of the discharge without providing adequate notice to his or her employer.

Employee Requalification Requirements. Specify that if an employee is discharged for failing to notify his or her employer of absenteeism or tardiness that becomes excessive, and the employer has complied with all employer requirements as described below, the employee is ineligible to receive benefits until six weeks have elapsed since the end of the week in which the discharge occurs and the employee earns wages after the week in which the discharge occurs equal to at least six times the employee's weekly benefit rate in employment or other work covered by the UI law of any state or the federal government. For purposes of requalification, the employee's weekly benefit rate shall be the rate that would have been paid had the discharge not occurred.

Employer Notification Requirements. Specify that the requalifying requirements apply only if the employer has a written policy on notification of tardiness or absences that satisfies all of the following: (a) defines what constitutes a single occurrence of tardiness or absenteeism; (b) describes the process for providing adequate notice of tardiness or absence; and (c) notifies the employee that failure to provide adequate notice of an absence or tardiness may lead to discharge. The employer shall provide a copy of the written policy to each employee and shall have written evidence that the employee received a copy of that policy. The employer must have given the employee at least one warning concerning the employee's violation of the employer's written policy within the 12-month period preceding the date of the discharge. The employer must apply the written policy uniformly to all employees of the employer.

Specify that the effective date of the provision is January 5, 2020, and that these provisions first apply to UI benefit determinations on that effective date.

Joint Finance: Delete provision.

7. UI WORK SEARCH WAIVERS

Governor: Repeal the provisions of 2017 Act 370 that codify in statute work-registration and work-search waiver provisions for certain UI claimants that were previously contained only within the administrative code. Restore DWD's general rulemaking authority, which had been eliminated by Act 370, to establish waivers from work search and registration requirements.

From 2004 until June 14, 2015, the Department, by administrative rule, waived a claimant's

search requirement if the claimant was laid off but there was a reasonable expectation of reemployment of the claimant by that employer. As of July 14, 2015, the Department altered the administrative rule to provide a work-search waiver only if the claimant is currently laid off from employment but there is a reasonable expectation that the claimant will be returning to employment within a period of eight weeks, with a possibility of one additional four-week extension. 2017 Act 370 codified in statute the work-search waivers that were previously prescribed by rule of the Department.

Require DWD to submit a notice to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register when DWD determines that the Department has any rules in place that are necessary to provide waivers from the work search and registration requirements. The effective date of the provision would be on the date the notice is published in the Wisconsin Administrative Register or on January 3, 2021, whichever occurs first. Specify that the provision first applies to initial claims for benefits filed on that effective date.

Joint Finance: Delete provision.

8. UI VOLUNTARY TERMINATION

Governor: Provide that if a prospective claimant's spouse was required by his or her employing unit to relocate to a place to which it is impractical for the claimant to commute, that the voluntary termination exception for UI benefits would apply to that claimant. Under current law, if an employee voluntarily terminates (quits) employment, the employee is ineligible to receive UI benefits until the employee earns wages after the week in which the quit occurs equal to at least six times the employee's weekly benefit rate. However, an employee is exempt from the requirement if the employee's spouse is a member of the U.S. Armed Forces on active duty. The bill would expand eligibility for the voluntary termination exemption if the employee's spouse was required by his or her employing unit to relocate to a place to which it is impractical for the employee to commute.

The effective date of the provision would be the first Sunday after publication of the bill. The provision would apply to UI benefit determinations beginning on the effective date of the provision.

Joint Finance: Delete provision.

Equal Rights

1. MINIMUM WAGE

Governor: Specify annual increases to the minimum wage level for most employees, from the effective date of the bill to January 1, 2024. The following table shows the current minimum wages rates and those provided under the bill.

Minimum Wage Rates

	Current Law	Beginning on Effective Date of Bill Through 12/31/20	Beginning 1/1/21 Through 12/31/21	Beginning 1/1/22 Through 12/31/22	Beginning 1/1/23 Through 12/31/23
Adult, Minor, or Agricultural Employee	$7.25	$8.25	$9.00	$9.75	$10.50
Opportunity Employee	5.90	6.71	7.32	7.93	8.54
Tipped Employee	2.33	2.65	2.89	3.13	3.37
Tipped Opportunity Employee	2.13	2.42	2.64	2.86	3.08
Caddies					
9 Holes	5.90	6.71	7.32	7.93	8.54
18 Holes	10.50	11.95	13.03	14.12	15.21
Camp Counselors (Adult and Minor), weekly rate					
No Board or Lodging	350.00	398.28	434.48	470.69	506.90
Board Only	265.00	284.48	310.34	336.21	362.07
With Board and Lodging	210.00	238.97	260.69	282.41	304.14

Require DWD to revise each minimum wage rate in effect on January 1, 2024 (last column in above table), and on each January 1 thereafter, by the percentage change in the Consumer Price Index (CPI) for the most recent 12-month period for which full-month information is available. The bill would require DWD to annually revise the amount published in the Wisconsin Administrative Register and on the DWD internet site.

Define "consumer price index" to mean the average of the CPI over each 12-month period for all urban consumers, U.S. city average, all items, not seasonally adjusted, as determined by the Bureau of Labor Statistics of the U.S. Department of Labor.

Minimum Wage Study Committee. Require the DWD Secretary to establish a minimum wage study committee to consist of the following members: (a) five members appointed by the Governor; (b) one member appointed by the Speaker of the Assembly; (c) one member appointed by the Minority Leader of the Assembly; (d) one member appointed by the Majority Leader of the Senate; and (e) one member appointed by the Minority Leader of the Senate. Require the committee to study options to achieve a $15 per hour minimum wage and other options to increase compensation for workers in this state. No later than October 1, 2020, require the committee to submit to the Governor and the appropriate standing committees of the Legislature a report that includes recommendations regarding the options for achieving a $15 per hour minimum wage and other means of increasing worker compensation in this state. Specify that the minimum wage study committee would terminate upon submission of the report.

Joint Finance: Delete provision.

2. RIGHT TO WORK

Governor: Repeal the provisions of 2015 Wisconsin Act 1 that specify that no person may require, as a condition of obtaining or continuing employment, an individual to do any of the following: (a) refrain or resign from membership in, voluntary affiliation with, or voluntary

financial support of a labor organization; (b) become or remain a member of a labor organization; (c) pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization; or (d) pay to any third party an amount that is in place of, equivalent to, or any portion of dues, fees, assessments, or other charges or expenses required of members of, or employees represented by, a labor organization. Delete current law specifying that these provisions apply to the extent permitted under federal law and that if a section of a contract violates this provision, that section of the contract is void.

Unfair Labor Practices. For the purposes of the following provisions, the definition of "employer" does not include the state or any political subdivision thereof.

Modify the current declaration of an unfair labor practice for an employer to encourage or discourage membership in any labor organization, employee agency, committee, association, or representation plan by discrimination in regard to hiring, tenure, or other terms or conditions of employment. Create an exception for a collective bargaining unit where an all-union, fair-share, or maintenance of membership agreement is in effect. Under current law, an "all-union agreement" means an agreement between an employer and the representative of the employer's employees in a collective bargaining unit whereby all or any of the employees in such unit are required to be members of a single labor organization. The terms "fair-share agreement" and "maintenance of membership agreement" are not defined under the bill or in the pertinent statutory sections the bill would modify. The administration indicates that an errata may be submitted to either clarify or remove these terms.

Modify the current declaration of unfair labor practice for an employer to bargain collectively with the representatives of less than a majority of the employer's employees in a collective bargaining unit, or to enter into an all-union agreement, by creating an exception for an employer who does so with the voluntarily recognized representative of the employees in a collective bargaining unit, where at least a majority of such employees voting have voted affirmatively, by secret ballot, in favor of the all-union agreement in a referendum conducted by the Wisconsin Employment Relations Commission (WERC). If the bargaining representative has been certified by either WERC or the National Labor Relations Board as the result of a representation election, no referendum is required to authorize the entry into an all-union agreement.

Specify that the authorization of an all-union agreement continues, subject to the right of either party to the agreement to petition WERC to conduct a new referendum on the subject. Upon receipt of the petition, if WERC determines there is reasonable ground to believe that the employees concerned have changed their attitude toward the all-union agreement, WERC shall conduct a referendum. If the continuance of the all-union agreement is supported on a referendum by a majority vote, it may continue, subject to the right to petition for a further vote by the same procedure. If the continuance of the all-union agreement is not supported on a referendum, it terminates at the expiration of the contract of which it is then a part or at the end of one year from the date of the announcement by WERC of the result of the referendum, whichever is earlier. Require WERC to declare any all-union agreement terminated whenever it finds that the labor organization involved has unreasonably refused to receive as a member any employee of such employer. An interested person may, as specified in current law, request WERC to perform this

duty.

Modify the current declaration of an unfair labor practice for an employer to deduct labor organization dues or assessments from an employee's earnings, unless the employer has been presented with an individual order signed by the employee, and terminable by the employee. Create an exception for cases in which there is an all-union, fair-share, or maintenance of membership agreement in effect. The employer must give notice to the labor organization of receipt of a notice of termination.

Specify that it be an unfair labor practice for an employer to fail to give the notice of intention to engage in a lockout as provided in s. 111.115(3) of the statutes, which refers to a strike at a certain type of agricultural processing facility. The administration indicates that an errata would be submitted to remove this provision as well as certain other provisions that were not originally included in 2015 Act 1.

Declaration of Policy. Recreate a state declaration of policy on employment relations repealed under Act 1. The declaration would state, in part:

(a) that the public policy of the state, as to employment relations and collective bargaining, recognizes that there are three major interests: the public, the employee, and the employer; and that these three interests are interrelated and that it be the policy of the state to protect and promote each of these interests with due regard to the situation and to the rights of the others; and

(b) that industrial peace, regular and adequate income for the employee, and uninterrupted production of goods and services are promotive of all of these interests and are dependent upon the maintenance of fair, friendly, and mutually satisfactory employment relations and the availability of suitable machinery for the peaceful adjustment of whatever controversies may arise; that whatever may be the rights of disputants, they should not be permitted to intrude directly into the primary rights of third parties to earn a livelihood, transact business, and engage in the ordinary affairs of life; and

(c) that negotiations of terms and conditions of work should result from voluntary agreement between employer and employee; and that an employee has the right, if the employee desires, to associate with others in organizing and bargaining collectively through representatives of the employee's own choosing; and

(d) that it would be the policy of the state, in order to preserve and promote the interests of the public, the employee, and the employer, to establish standards of fair conduct in employment relations and to provide a convenient, expeditious, and impartial tribunal by which these interests may have their respective rights and obligations adjudicated.

Penalties. Repeal the provision that specifies that anyone who violates the right to work law is guilty of a Class A misdemeanor.

Joint Finance: Delete provision.

3. PREVAILING WAGE

Governor: Restore the state prevailing wage law as the law existed prior to 2015 Act 55 by repealing the provisions of 2015 Act 55 that eliminated the state prevailing wage law that applied to local projects of public works (counties, villages, towns, cities, school districts, municipal utilities and technical colleges) and the provisions of 2017 Act 59 that eliminated the state prevailing wage law that applied to state agency and state highway projects.

Under current law, there are no state prevailing wage standards for local projects of public works, state agency projects, or state highway projects. The state prevailing wage requirements for local projects were repealed effective January 1, 2017. The state prevailing wage requirements for state agency and state highway projects were repealed effective September 23, 2017. These changes did not affect federal Davis-Bacon Act requirements, which specify that building and highway projects that utilize at least $2,000 in federal funds are subject to the federal prevailing wage rates as determined by the U.S. Department of Labor.

Under the bill, the state prevailing wage law would be as it was immediately prior to the passage of 2015 Act 55. Generally, the prevailing wage law under the bill would consist of the following major elements:

Application of the Prevailing Wage Law. Specify that state prevailing wage requirements apply based on various project cost thresholds. For a single-trade project, the threshold is $48,000, whereas the threshold for a multiple-trade project is either $100,000 or $234,000; the latter applies to public works projects erected, constructed, repaired, remodeled, or demolished by a private contractor for a city or village with a population less than 2,500, or for a town. A "single-trade project" is defined as one in which a single trade (such as a carpenter, glazier, or electrician) accounts for 85% or more of the total labor cost of the project. A "multiple-trade project" is defined as one in which no single trade accounts for more than 85% of the total labor cost of the project.

Prevailing Hours of Labor. Specify that workers to whom state prevailing wage law applies may not be permitted to work a greater number of hours per day or per week than the prevailing hours of labor, unless they are paid for all hours worked in excess of prevailing hours of labor at a rate of at least 1.5 times their hourly basic rate of pay. Define "prevailing hours of labor" to mean 10 hours per day and 40 hours per week and may not include any hours worked on a Saturday or Sunday, or on certain holidays.

Prevailing Wage Rate. Define "prevailing wage rate" to mean the hourly basic rate of pay, plus the hourly contribution for health insurance, vacation, pension, and any other economic benefit, paid for a majority of the hours worked in a trade or occupation on projects in an area (generally the county). If there is no rate at which a majority of the hours worked in the occupation on projects in the area is paid, the prevailing wage rate would mean the average hourly basic rate of pay, weighted by the number of hours worked, plus the average hourly contribution, weighted by the number of hours worked, for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic benefit, paid for all hours worked at the hourly basic rate of pay of the highest-paid 51% of hours worked in that trade or occupation on projects in that area.

Survey Process. Require DWD to determine prevailing wage rates for each trade or

occupation in each area of the state by January 1 of each year. The survey would be based on a statutorily prescribed annual survey process for all types of local public works projects, state agency public works projects excluding highways and bridges, and state-contracted highway construction projects. Provide that DWD may not collect survey data from projects that are subject to the state or federal prevailing wage requirements unless DWD determines that there is insufficient wage data in the area to determine a prevailing wage rate.

Administration and Enforcement. Require DWD to enforce all local and state prevailing wage laws and the Department of Transportation (DOT) to administer and enforce federal and state prevailing wage laws for highway and bridge construction projects. Require DWD, by May 1 of each year, to certify to DOT the prevailing wage rates in each area for all trades or occupations commonly employed in the highway construction industry.

Specify that all provisions regarding compliance, enforcement, inspection, notice, appeals, remedies, coverage, and penalties from the state prevailing wage law as it was just prior to the enactment of 2015 Act 55 would be recreated and made effective on the date of the bill.

Retain the current prohibition against local governments enacting or administering their own prevailing wage laws or similar ordinances. Currently, a local governmental unit may not enact and administer an ordinance or other enactment requiring laborers, workers, mechanics, and truck drivers employed on projects of public works, or on publicly funded private construction projects, to be paid the prevailing wage rate and to be paid at least 1.5 times their hourly basic rate of pay for hours worked in excess of the prevailing hours of labor or any similar ordinance or enactment.

Specify that for a project of public works that is subject to bidding, the prevailing wage repeal first applies to a project for which the request for bids is issued on or after the effective date of the bill.

Specify that for a project of public works that is not subject to bidding, the prevailing wage repeal first applies to a contract that is entered into on or after the effective date of the bill.

Joint Finance: Delete provision.

4. FAMILY AND MEDICAL LEAVE

Governor: Specify that an employer would be covered by the family and medical leave law if the employer has at least 25 permanent employees in this state. Under current law, an employer that employs at least 50 individuals on a permanent basis in this state is required to allow an employee who has been employed by the employer for more than 52 consecutive weeks and who has worked for the employer for at least 1,000 hours during the preceding 52 weeks to take the following: (a) six weeks of family leave in a 12−month period for the birth or adoptive placement of a child; (b) two weeks of family leave in a 12−month period to care for the employee's child, spouse, domestic partner, or parent with a serious health condition; and (c) two weeks of medical leave in a 12−month period when the employee has a serious health condition that makes the employee unable to perform the employee’s employment duties.

Definition of Child. Expand the definition of "child" under current family and medical leave law to mean a natural, adopted, or foster child, a stepchild, or a legal ward. The bill would delete requirements a child be: (a) less than 18 years of age; or (b) 18 years of age or older and unable to care for himself or herself because of a serious health condition.

Covered Active Duty. Provide that an employee covered under the law be allowed to take six weeks of family leave in a 12−month period because of any qualifying exigency, as determined by DWD by rule, arising out of the fact that the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty. If the employee intends to take leave that is foreseeable because the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty, the employee shall provide notice of that intention to the employer in a reasonable and practicable manner.

Specify that if an employee requests leave under the covered active duty provision, the employer may require the employee to provide certification that the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty issued at such time and in such manner as the DWD may prescribe by rule, and the employee must provide a copy of that certification to the employer in a timely manner.

Define “covered active duty" to mean any of the following: (a) in the case of a member of a regular component of the U.S. Armed Forces, duty during the deployment of the member with the U.S. Armed Forces to a foreign country, or (b) in the case of a member of a reserve component of the U.S. Armed Forces, duty during the deployment of the member with the U.S. Armed Forces to a foreign country under a call or order to active duty.

Care for Grandparent, Grandchild, or Sibling. Specify that an employee covered under the law be allowed to take two weeks of family leave in a 12−month period to care for a grandparent, grandchild, or sibling, in addition to the current law family leave definition that specifies that an employee may take family leave to care for the employee's child, spouse, domestic partner, or parent, if the child, spouse, domestic partner, or parent has a serious health condition.

Define the following: (a) "grandchild" to mean the child of a child; (b) "grandparent" to mean the parent of a parent; (c) “sibling" to mean a brother, sister, half-brother, half-sister, stepbrother, or stepsister, whether by blood, marriage, or adoption; and (d) "employee" to mean an individual employed in this state by an employer, except the employer's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling. Current law does not include grandparent, grandchild, or sibling.

Provide that current family and medical leave law governing proper notice to employers, proper medical certifications, and administrative proceedings, that currently reference child, spouse, domestic partner, parent, and employee, also include references to grandparent, grandchild and sibling.

Closure of Child Care Center, Provider or School. Specify that an employee covered under

the law be allowed to take six weeks of family leave in a 12−month period because a child care center, child care provider, or school that the employee's child attends is experiencing an unforeseen or unexpected short-term closure.

Provide that if an employee requests leave due to such a closure, the employer may require the employee to provide certification that the child care center, child care provider, or school that the employee's child attends is experiencing an unforeseen or unexpected short-term closure. Under the bill, DWD may prescribe by rule the form and content of the certification.

Posting. Delete a requirement that any person employing at least 25 individuals post, in one or more conspicuous places where notices to employees are customarily posted, a notice describing the person's policy with respect to leave for the reasons under the family and medical leave law. Current law already requires that each employer post, in one or more conspicuous places where notices to employees are customarily posted, a notice in a form approved by DWD setting forth employees' rights under the family and medical leave law.

Joint Finance: Delete provision.

5. LOCAL EMPLOYMENT REGULATIONS

Governor: Repeal the provisions of 2017 Wisconsin Act 327, which prohibits local units of government from enacting or enforcing ordinances related to any of the following: (a) regulations related to wage claims and collections; (b) requiring a person to accept provisions of a collective bargaining agreement or to waive rights under state or federal labor relations laws (defined as the National Labor Relations Act and the Labor Management Relations Act); (c) regulation of employee hours of labor or overtime, including scheduling of employee work hours or shifts; (d) requiring an employer to provide certain employment benefits, including retirement, pension, profit sharing, insurance, or leave benefits; (e) prohibiting an employer from requesting the salary history of a prospective employee; (f) prohibiting requiring any person to waive the person's rights under state or federal labor laws, or compel or attempt to compel a person to agree to waive the person’s rights under state or federal labor laws, as a condition of any regulatory approval or other approval by the local governmental unit; or (g) imposing occupational licensing requirements on an individual that are more stringent than state-imposed licensing requirements for the profession.

Repeal the prohibition on local units of government from enacting ordinances that require employers to provide employees with paid or unpaid family and medical leave from employment for employees of private employers. This would generally delete provisions enacted under 2011 Wisconsin Act 16.

Recreate provisions from the 2015 statutes specifying that the prohibition on a local government (county, city, village, or town) from enacting a minimum wage ordinance does not affect a local government ordinance that applies the state prevailing wage law requirements specified under the bill to an employee of a local government, a contractor for the local government, or a person performing work using financial assistance from the local government.

Joint Finance: Delete provision.

6. PROJECT LABOR AGREEMENTS

Governor: Repeal the provisions of 2017 Wisconsin Act 3, which prohibits state and local units of government from any of the following in letting bids for state procurement or public works contracts: (a) require that a bidder enter into or adhere to an agreement with a labor organization; (b) consider, as a factor in making an award, whether any bidder has or has not entered into an agreement with a labor organization; or (c) require that a bidder enter into, adhere to, or enforce any agreement that requires, as a condition of employment, that the bidder or bidder's employees become or remain members of, or be affiliated with, a labor organization or pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization or a labor organization's health, welfare, retirement, or other benefit plan or program.

Joint Finance: Delete provision.

7. JOB APPLICANT CONVICTION HISTORY

Governor: Provide that employment discrimination because of a conviction record includes requesting an applicant for employment, on an application form or otherwise, to supply information regarding the conviction record of the applicant, or otherwise inquiring into or considering the conviction record of an applicant for employment, before the applicant has been selected for an interview by the prospective employer. Specify that this provision does not prohibit an employer from notifying applicants for employment that an individual with a particular conviction record may be disqualified by law or under the employer's policies from employment in particular positions. Under the bill, these provisions first apply to an application for employment submitted to an employer on the first day of the sixth month beginning after publication of the bill.

Joint Finance: Delete provision.

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LEGISLATIVE FISCAL BUREAU

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750 DOT Administrative Facilities

University of Wisconsin System

755 Resident Undergraduate Tuition Freeze
756 Student Success and Attainment
757 Nurse Educators
758 Additional UW Colleges Funding
759 UW-Extension Cooperative County Agriculture Agents
760 Supplemental Pay Plan and Performance
761 Environmental Education Grants

Veterans Affairs

770 General Fund Supplement to the Veterans Trust Fund
771 State Veterans Homes -- Contracted Nurse Home Staffing

Volkswagen Settlement

505 Volkswagen Settlement

Wisconsin Economic Development Corporation

775 Information Sharing Between WEDC and DOR

Wisconsin Technical College System

790 General Aid

Workforce Development -- Employment and Training

800 Wisconsin Fast Forward, Shipbuilder Employee Training Grants, Project SEARCH, and Wisconsin Career Creator