

MISCELLANEOUS APPROPRIATIONS

Budget Summary					FTE Position Summary	
Fund	2018-19 Adjusted Base	Governor		2019-21 Change Over Base Year Doubled		
		2019-20	2020-21	Amount	%	
GPR	\$120,891,600	\$126,936,600	\$146,690,600	\$31,844,000	13.2%	
PR	21,000,000	25,000,000	0	- 17,000,000	- 40.5	
SEG	30,711,800	36,337,700	38,107,300	13,021,400	21.2	
TOTAL	\$172,603,400	\$188,274,300	\$184,797,900	\$27,865,400	8.1%	

There are no authorized positions for Miscellaneous Appropriations.

Budget Change Items

1. VOLKSWAGEN SETTLEMENT DISTRIBUTIONS

PR	- \$17,000,000
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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."]

[Bill Sections: 49 thru 55, 292, 1072, and 9101(2)]

2. GENERAL FUND SUPPLEMENT TO THE VETERANS TRUST FUND GPR \$15,800,000

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.]

[Bill Sections: 256 and 9448(1)]

3. TRANSFERS TO THE CONSERVATION FUND SEG \$13,021,400

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 bill.

Recreational Vehicle Gas Tax Transfers

	<u>Base</u>	<u>2019-20</u>		<u>2020-21</u>	
		<u>Change</u>	<u>Total</u>	<u>Change</u>	<u>Total</u>
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	<u>351,500</u>	<u>203,100</u>	<u>554,600</u>	<u>244,900</u>	<u>596,400</u>
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 under the bill.

4. OIL PIPELINE TERMINAL TAX DISTRIBUTION GPR \$1,834,700

Governor: 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.

5. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND

GPR	\$1,400
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Governor: 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.

6. MARQUETTE DENTAL SCHOOL DEBT SERVICE REESTIMATE

GPR	-\$130,100
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Governor: 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."