



Overview of State Agency Major Request Items

2019-21 Wisconsin
State Budget

Legislative Fiscal Bureau
December, 2018

Summary of 2019-21 Budget Requests

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Legislative Fiscal Bureau

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INTRODUCTION

This document, prepared by the Legislative Fiscal Bureau, provides an overview of the 2019-21 budget requests which state agencies have submitted for inclusion in the executive budget document. Its purpose is to highlight the major changes which have been requested and, thus, is not a comprehensive summary of each proposed modification. The document generally contains only those items with a fiscal effect in excess of \$250,000 or which represent a significant policy change. The document reflects budget requests that were submitted as of November 20, 2018.

Immediately following this introduction is a Table of Contents, Key to Abbreviations, and User's Guide. In addition, four summary tables are presented. The tables reflect comparative 2019-21 funding and position requests with current levels.

The major portion of the document presents summaries of the various state agency budget requests. The agency summaries are arranged alphabetically and contain a funding and position table as well as a brief narrative description and fiscal effect, if any, of each major requested item. In some cases, statutory modifications have been requested. Although statutory language is generally not available, the summaries of these items, where included, are based on our best understanding of the agency's request.

In addition to the agency budget requests, 2015 Act 201 requires executive branch agencies to submit two additional proposals. The first would be to maintain state operations appropriations for the two years of the next biennium at the base level and the second would be a 5% reduction for each year of the biennium. Excluded are appropriations funded with federal revenues, debt service, and standard budget adjustments. A listing of the items of the "Base Level Plan" and "5% Budget Reduction Plan" is included at the end of the summary of each agency budget request.

Also, 2017 Act 212 requires that each state agency submit a biennial base budget review report to the Department of Administration that contains the following information: (a) a description of each of the agency's appropriations; (b) an accounting of all expenditures, by quarter, of the previous three fiscal years; (c) an analysis of whether each appropriation contributes to the mission of the agency; (d) a determination of the minimum amount of funding required for each appropriation to address the agency's objectives; and (e) a description of the agency's mission or guiding principles. The act requires that the report first be submitted by September 15, 2018, and then no later than May 15 in the even numbered year in each subsequent biennium. The agency reports submitted under 2017 Act 212 can be found at: (<http://openbook.wi.gov/ExpenditureDetailReport.aspx>)

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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.
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-Local	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.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to less than 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 3).

- ① Name of agency.
- ② Listed in this column are the funding sources for the amounts shown in Columns 3 through 5, both dollar amounts and positions. (Only the funding sources which are included in the agency's budget are shown.)
- ③ Figures in these columns represent the agency's adjusted budget base. The adjusted budget base equals appropriated levels for 2018-19 (the second year of the 2017-19 biennium) and any authorized supplements or position changes. The 2018-19 adjusted budget base represents the beginning level for all agency requests for calculating budget changes for 2019-21.
- ④ Figures in these columns represent, by fiscal year, the agency budget and FTE position requests, by fund source.
- ⑤ These columns indicate the increase or decrease, by amount and percentage, of 2019-21 requested amounts over the 2018-19 adjusted base year doubled (to provide a two-year to two-year comparison). For positions, the increase or decrease is based on the 2020-21 requested level compared to the 2018-19 authorized level.
- ⑥ Indicates the start of the summary of major fiscal or programmatic agency request items. In general, only items with a net fiscal effect in excess of \$250,000, or statutory language requests resulting in significant policy changes (with or without a fiscal effect) have been included. For some agencies only a table is included as there are no major request items.
- ⑦ Title of the request item.
- ⑧ The box, which follows the title, 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.
- ⑨ Brief narrative explaining the request item.
- ⑩ 2015 Act 201 Plan. Under Act 201, executive branch agencies are required to submit plans to: (a) maintain state operations appropriations for 2019-21 at the base level; and (b) reduce base level state operations appropriations for 2019-21 by 5%. The plans, as submitted, are shown here.

SAFETY AND PROFESSIONAL SERVICES 1

Budget Summary 5						FTE Position Summary 5					
2	3		4		5	3	4		5		
	2018-19	Request	2019-20	2020-21			2019-21 Change Over Base Year Doubled	Request	Request	2020-21 Over 2018-19	
Fund	Adjusted Base				Amount	%	2018-19	2019-20	2020-21	Number	%
FED	\$478,900	\$663,300	\$512,000	\$217,500	22.7%		1.70	1.70	1.70	0.00	0.0%
PR	<u>54,777,300</u>	<u>57,029,300</u>	<u>56,098,500</u>	<u>3,573,200</u>	3.3		<u>234.44</u>	<u>234.44</u>	<u>234.44</u>	<u>0.00</u>	0.0
TOTAL	\$55,256,200	\$57,692,600	\$56,610,500	\$3,790,700	3.4%		236.14	236.14	236.14	0.00	0.0%

Major Request Items 6

1. STANDARD BUDGET ADJUSTMENTS 7

9 Request a decrease of \$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.

	Funding 8	Positions
PR	-\$1,791,200	- 5.00
FED	<u>- 38,800</u>	<u>0.00</u>
Total	-\$1,830,000	- 5.00

2. PRESCRIPTION DRUG MONITORING PROGRAM 7

9 Request \$339,400 PR in 2020-21 and 5.0 PR project positions in 2020-21, to extend 5.0 project positions relating to the operation of the prescription drug monitoring program for one year, terminating on June 30, 2021.

	Funding 8	Positions
PR	\$339,400	5.00

2015 Act 201 Plan

		10	
		Amount	
	Fund	2019-20	2020-21
5% Budget Reduction Plan			
1. Reduce funding for safety and buildings operations.	PR	-\$1,002,400	-\$1,002,400
2. Reduce base funding budgeted for information technology hardware, software, support, and maintenance from four of the agency's general program operations appropriations.	PR	<u>-664,800</u>	<u>-664,800</u>
Total	PR	-\$1,667,200	-\$1,667,200
	PR	(-\$11,200)	(-\$11,200)
	SEG	(-\$20,800)	(-\$20,800)

TABLE 1**Summary of All Funds Appropriations Requests by Agency**

<u>Agency</u>	2018-19 <u>Adjusted Base</u>	<u>Request</u>		2019-21 Change Over <u>Base Year Doubled</u>	
		<u>2019-20</u>	<u>2020-21</u>	<u>Amount</u>	<u>Percent</u>
Administration	\$594,090,500	\$593,865,300	\$594,006,900	- \$308,800	0.0%
Agriculture, Trade and Consumer Protection	98,667,700	102,855,000	102,537,000	8,056,600	4.1
Appropriation Obligation Bonds	413,223,100	406,861,900	418,149,500	- 1,434,800	- 0.2
Board for People with Developmental Disabilities	1,563,800	1,596,200	1,598,200	66,800	2.1
Board of Commissioners of Public Lands	1,712,900	1,775,100	1,777,400	126,700	3.7
Board on Aging and Long- Term Care	3,441,200	3,455,600	3,458,100	31,300	0.5
Building Commission	46,580,300	46,580,300	46,580,300	0	0.0
Child Abuse and Neglect Prevention Board	3,177,800	3,222,000	3,222,000	88,400	1.4
Children and Families	1,308,766,400	1,339,581,600	1,359,576,100	81,624,900	3.1
Circuit Courts	106,475,600	102,712,700	102,712,700	- 7,525,800	- 3.5
Corrections	1,276,230,700	1,335,199,700	1,373,676,500	156,414,800	6.1
Court of Appeals	11,779,300	11,341,400	11,341,400	- 875,800	- 3.7
District Attorneys	48,014,000	60,399,200	63,934,200	28,305,400	29.5
Educational Communications Board	19,539,200	21,180,800	21,189,800	3,292,200	8.4
Elections Commission	5,343,500	5,645,800	5,611,500	570,300	5.3
Employee Trust Funds	47,969,700	48,465,600	48,363,200	889,400	0.9
Employment Relations Commission	1,165,400	1,039,200	1,040,800	- 250,800	- 10.8
Environmental Improvement Fund	23,482,400	23,482,400	23,482,400	0	0.0
Ethics Commission	1,344,600	1,424,600	1,425,800	161,200	6.0
Financial Institutions	19,327,200	19,499,300	19,522,800	367,700	1.0
Fox River Navigational System Authority	125,400	125,400	125,400	0	0.0
Governor	3,814,200	4,027,200	4,027,200	426,000	5.6
Health Services	12,282,606,300	12,869,801,600	13,367,329,000	1,671,918,000	6.8
Higher Educational Aids Board	145,285,600	143,664,600	142,396,000	- 4,510,600	- 1.6
Historical Society	29,558,000	30,952,500	30,938,300	2,774,800	4.7
Insurance	112,036,900	81,071,500	81,104,900	- 61,897,400	- 27.6
Investment Board	62,444,700	62,444,700	62,444,700	0	0.0
Judicial Commission	310,000	316,000	316,000	12,000	1.9
Judicial Council	0	98,300	111,400	209,700	N.A.
Justice	138,292,000	145,286,900	144,041,200	12,744,100	4.6
Kickapoo Reserve Management Board	977,200	1,009,900	1,024,000	79,500	4.1
Labor and Industry Review Commission	3,173,600	2,674,400	2,678,700	- 994,100	- 15.7
Legislature	79,685,800	79,466,000	79,344,900	- 560,700	- 0.4
Lieutenant Governor	394,400	423,900	423,900	59,000	7.5
Lower Wisconsin State Riverway Board	229,700	247,300	247,300	35,200	7.7
Medical College of Wisconsin	10,234,100	10,234,100	10,234,100	0	0.0
Military Affairs	118,518,800	122,153,400	122,169,500	7,285,300	3.1
Miscellaneous Appropriations	172,603,400	179,067,500	182,312,000	16,172,700	4.7
Natural Resources	550,918,700	560,038,400	560,228,600	18,429,600	1.7
Program Supplements	10,841,000	10,841,000	10,841,000	0	0.0

TABLE 1 (continued)**Summary of All Funds Appropriations Requests by Agency**

<u>Agency</u>	2018-19 <u>Adjusted Base</u>	<u>Request</u>		2019-21 Change Over <u>Base Year Doubled</u>	
		<u>2019-20</u>	<u>2020-21</u>	<u>Amount</u>	<u>Percent</u>
Public Defender	\$88,631,500	\$112,765,900	\$113,478,600	\$48,981,500	27.6%
Public Instruction	7,275,758,000	7,681,896,100	8,471,049,500	1,601,429,600	11.0
Public Service Commission	29,265,300	29,519,300	29,540,700	529,400	0.9
Revenue	216,190,600	220,382,400	220,616,500	8,617,700	2.0
Safety and Professional Services	55,256,200	57,692,600	56,610,500	3,790,700	3.4
Secretary of State	271,900	423,000	429,300	308,500	56.7
Shared Revenue and Tax Relief	2,820,695,600	2,848,784,100	3,158,670,500	366,063,400	6.5
State Fair Park Board	23,400,800	24,602,700	24,750,800	2,551,900	5.5
State Treasurer	116,700	116,700	116,700	0	0.0
Supreme Court	32,683,200	32,407,600	32,481,000	- 477,800	- 0.7
Tourism	17,110,900	17,282,500	17,288,200	348,900	1.0
Transportation	3,044,706,300	2,998,657,200	3,013,977,500	- 76,777,900	- 1.3
University of Wisconsin System	6,211,570,000	6,335,864,500	6,388,442,300	301,166,800	2.4
Veterans Affairs	139,595,500	141,594,000	141,678,400	4,081,400	1.5
Wisconsin Economic Development Corporation	41,550,700	46,550,700	46,550,700	10,000,000	12.0
Wisconsin Technical College System	557,097,900	569,445,900	581,401,700	36,651,800	3.3
Workforce Development	<u>355,536,700</u>	<u>380,596,600</u>	<u>354,722,500</u>	<u>24,245,700</u>	3.4
TOTAL	\$38,663,382,900	\$39,932,710,100	\$41,657,350,100	\$4,263,294,400	5.5%

TABLE 2**Summary of All Funds Full-Time Equivalent Position Requests by Agency**

<u>Agency</u>	<u>2018-19</u>	<u>Request</u>		<u>2020-21 Over 2018-19</u>	
		<u>2019-20</u>	<u>2020-21</u>	<u>Number</u>	<u>%</u>
Administration	1,474.42	1,472.42	1,472.42	- 2.00	- 0.1%
Agriculture, Trade and Consumer Protection	641.29	638.29	630.29	- 11.00	- 1.7
Board for People with Developmental Disabilities	7.00	7.00	7.00	0.00	0.0
Board of Commissioners of Public Lands	9.50	9.50	9.50	0.00	0.0
Board on Aging and Long- Term Care	42.50	42.50	42.50	0.00	0.0
Child Abuse and Neglect Prevention Board	6.00	7.00	7.00	1.00	16.7
Children and Families	786.16	786.16	786.16	0.00	0.0
Circuit Courts	527.00	527.00	527.00	0.00	0.0
Corrections	10,127.97	10,164.67	10,436.92	308.95	3.1
Court of Appeals	75.50	75.50	75.50	0.00	0.0
District Attorneys	431.45	558.80	557.80	126.35	29.3
Educational Communications Board	55.18	55.18	55.18	0.00	0.0
Elections Commission	31.75	31.75	31.75	0.00	0.0
Employee Trust Funds	272.20	276.20	276.20	4.00	1.5
Employment Relations Commission	6.00	6.00	6.00	0.00	0.0
Ethics Commission	8.00	8.00	8.00	0.00	0.0
Financial Institutions	141.54	141.54	141.54	0.00	0.0
Governor	37.25	37.25	37.25	0.00	0.0
Health Services	6,184.89	6,248.89	6,385.39	200.50	3.2
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.0
Historical Society	135.04	185.54	185.54	50.50	37.4
Insurance	141.00	136.00	136.00	- 5.00	- 3.5
Investment Board	203.00	203.00	203.00	0.00	0.0
Judicial Commission	2.00	2.00	2.00	0.00	0.0
Judicial Council	0.00	1.00	1.00	1.00	N.A.
Justice	722.14	724.15	722.15	0.01	< 0.1
Kickapoo Reserve Management Board	4.00	5.00	5.00	1.00	25.0
Labor and Industry Review Commission	18.70	18.70	18.70	0.00	0.0
Legislature	777.97	777.97	777.97	0.00	0.0
Lieutenant Governor	5.00	5.00	5.00	0.00	0.0
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	0.00	0.0
Military Affairs	523.30	524.10	523.10	- 0.20	- < 0.1
Natural Resources	2,515.60	2,519.60	2,519.60	4.00	0.2
Public Defender	614.85	614.85	614.85	0.00	0.0
Public Instruction	649.00	644.00	644.00	- 5.00	- 0.8

TABLE 2 (continued)**Summary of All Funds Full-Time Equivalent Position Requests by Agency**

<u>Agency</u>	<u>2018-19</u>	<u>Request</u>		<u>2020-21 Over 2018-19</u>	
		<u>2019-20</u>	<u>2020-21</u>	<u>Number</u>	<u>%</u>
Public Service Commission	153.25	153.25	153.25	0.00	0.0%
Revenue	1,182.03	1,180.03	1,180.03	- 2.00	- 0.2
Safety and Professional Services	236.14	236.14	236.14	0.00	0.0
Secretary of State	2.00	4.00	4.00	2.00	100.0
State Fair Park Board	47.00	50.00	50.00	3.00	6.4
State Treasurer	1.00	1.00	1.00	0.00	0.0
Supreme Court	221.75	221.75	221.75	0.00	0.0
Tourism	34.00	34.00	34.00	0.00	0.0
Transportation	3,244.11	3,244.11	3,244.11	0.00	0.0
University of Wisconsin System	36,052.32	36,273.16	36,273.16	220.84	0.6
Veterans Affairs	1,261.70	1,271.70	1,271.70	10.00	0.8
Wisconsin Technical College System	56.00	55.00	55.00	- 1.00	- 1.8
Workforce Development	<u>1,609.05</u>	<u>1,610.05</u>	<u>1,610.05</u>	<u>1.00</u>	0.1
TOTAL	71,289.55	71,800.75	72,197.50	907.95	1.3%

Full-Time Equivalent Positions by Funding Source

<u>Fund</u>	<u>2018-19</u>	<u>Request</u>		<u>2020-21 Over 2018-19</u>	
		<u>2019-20</u>	<u>2020-21</u>	<u>Number</u>	<u>%</u>
GPR	35,279.15	35,544.54	35,819.79	540.64	1.5%
FED	10,670.25	10,637.58	10,622.08	- 48.17	- 0.5
PR	20,477.27	20,730.00	20,867.00	389.73	1.9
SEG	<u>4,862.88</u>	<u>4,888.63</u>	<u>4,888.63</u>	<u>25.75</u>	0.5
TOTAL	71,289.55	71,800.75	72,197.50	907.95	1.3%

TABLE 3**Summary of General Fund Appropriations Requests by Agency**

Agency	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled	
		2019-20	2020-21	Amount	Percent
Administration	\$17,246,400	\$17,143,900	\$17,164,900	- \$184,000	- 0.5%
Agriculture, Trade and Consumer Protection	27,456,500	28,726,300	28,563,700	2,377,000	4.3
Appropriation Obligation Bonds	413,223,100	406,861,900	418,149,500	- 1,434,800	- 0.2
Board for People with Developmental Disabilities	118,400	119,200	120,000	2,400	1.0
Board on Aging and Long- Term Care	1,471,600	1,485,600	1,485,600	28,000	1.0
Building Commission	43,860,000	43,860,000	43,860,000	0	0.0
Child Abuse and Neglect Prevention Board	995,000	995,000	995,000	0	0.0
Children and Families	464,643,900	464,867,000	472,896,300	8,475,500	0.9
Circuit Courts	106,242,900	102,480,000	102,480,000	- 7,525,800	- 3.5
Corrections	1,160,400,200	1,216,583,500	1,253,613,600	149,396,700	6.4
Court of Appeals	11,779,300	11,341,400	11,341,400	- 875,800	- 3.7
District Attorneys	44,785,600	56,865,600	60,585,300	27,879,700	31.1
Educational Communications Board	6,351,400	6,818,500	6,821,600	937,300	7.4
Elections Commission	4,291,700	4,728,100	4,675,000	819,700	9.5
Employee Trust Funds	68,000	47,900	31,600	- 56,500	- 41.5
Employment Relations Commission	1,019,800	893,600	895,200	- 250,800	- 12.3
Environmental Improvement Fund	15,482,400	15,482,400	15,482,400	0	0.0
Ethics Commission	843,400	910,600	911,300	135,100	8.0
Governor	3,814,200	4,027,200	4,027,200	426,000	5.6
Health Services	4,011,431,100	4,205,468,000	4,441,248,000	623,853,800	7.8
Higher Educational Aids Board	143,468,200	141,847,200	140,578,600	- 4,510,600	- 1.6
Historical Society	20,114,100	20,217,800	20,183,300	172,900	0.4
Judicial Commission	310,000	316,000	316,000	12,000	1.9
Judicial Council	0	98,300	111,400	209,700	0.0
Justice	59,585,200	64,549,100	65,415,200	10,793,900	9.1
Labor and Industry Review Commission	248,300	167,000	167,500	- 162,100	- 32.6
Legislature	77,422,600	76,994,300	77,003,100	- 847,800	- 0.5
Lieutenant Governor	394,400	423,900	423,900	59,000	7.5
Medical College of Wisconsin	9,986,600	9,986,600	9,986,600	0	0.0
Military Affairs	27,949,900	28,819,000	28,829,800	1,749,000	3.1
Miscellaneous Appropriations	120,891,600	127,355,700	130,600,200	16,172,700	6.7
Natural Resources	109,485,400	110,017,700	110,049,400	1,096,300	0.5
Program Supplements	10,841,000	10,841,000	10,841,000	0	0.0
Public Defender	87,241,300	111,328,000	112,039,500	48,884,900	28.0
Public Instruction	6,291,046,200	6,693,577,000	7,480,875,500	1,592,360,100	12.7
Revenue	153,517,100	153,427,700	153,549,400	- 57,100	0.0
Shared Revenue and Tax Relief	2,499,290,300	2,515,398,400	2,825,284,800	342,102,600	6.8
State Fair Park Board	2,478,000	2,478,000	2,478,000	0	0.0
Supreme Court	17,823,500	17,502,700	17,545,200	- 599,100	- 1.7
Tourism	5,141,700	5,271,200	5,276,900	264,700	2.6
Transportation	111,974,800	111,974,800	111,974,800	0	0.0
University of Wisconsin System	1,115,580,000	1,146,370,000	1,198,947,800	114,157,800	5.1
Veterans Affairs	1,934,300	3,081,100	3,111,100	2,323,600	60.1
Wisconsin Economic Development Corporation	15,350,700	20,350,700	20,350,700	10,000,000	32.6
Wisconsin Technical College System	519,607,900	531,759,300	543,765,300	36,308,800	3.5
Workforce Development	<u>46,379,200</u>	<u>74,906,200</u>	<u>49,926,000</u>	<u>32,073,800</u>	34.6
TOTAL	\$17,783,587,200	\$18,568,764,400	\$20,004,978,600	\$3,006,568,600	8.5%

TABLE 4**Summary of General Fund Full-Time Equivalent Position Requests by Agency**

<u>Agency</u>	<u>2018-19</u>	<u>Request</u>		<u>2020-21 Over 2018-19</u>	
		<u>2019-20</u>	<u>2020-21</u>	<u>Number</u>	<u>%</u>
Administration	63.72	62.72	62.72	- 1.00	- 1.6%
Agriculture, Trade and Consumer Protection	199.40	199.40	199.40	0.00	0.0
Board on Aging and Long- Term Care	19.18	19.18	19.18	0.00	0.0
Children and Families	231.92	231.92	231.92	0.00	0.0
Circuit Courts	527.00	527.00	527.00	0.00	0.0
Corrections	9,588.67	9,619.37	9,891.62	302.95	3.2
Court of Appeals	75.50	75.50	75.50	0.00	0.0
District Attorneys	384.45	523.30	523.30	138.85	36.1
Educational Communications Board	26.94	30.94	30.94	4.00	14.8
Elections Commission	25.75	25.75	25.75	0.00	0.0
Employment Relations Commission	6.00	6.00	6.00	0.00	0.0
Ethics Commission	4.55	4.55	4.55	0.00	0.0
Governor	37.25	37.25	37.25	0.00	0.0
Health Services	2,561.71	2,592.80	2,592.80	31.09	1.2
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.0
Historical Society	97.15	115.65	115.65	18.50	19.0
Judicial Commission	2.00	2.00	2.00	0.00	0.0
Judicial Council	0.00	1.00	1.00	1.00	N.A.
Justice	401.18	423.18	426.18	25.00	6.2
Labor and Industry Review Commission	0.80	0.80	0.80	0.00	0.0
Legislature	758.17	758.17	758.17	0.00	0.0
Lieutenant Governor	5.00	5.00	5.00	0.00	0.0
Military Affairs	81.83	85.08	85.08	3.25	4.0
Natural Resources	223.52	223.52	223.52	0.00	0.0
Public Defender	609.85	609.85	609.85	0.00	0.0
Public Instruction	252.47	255.47	255.47	3.00	1.2
Revenue	953.08	953.08	953.08	0.00	0.0
Supreme Court	115.50	115.50	115.50	0.00	0.0
Tourism	29.00	29.00	29.00	0.00	0.0
University of Wisconsin System	17,813.49	17,814.49	17,814.49	1.00	< 0.1
Veterans Affairs	0.00	10.00	10.00	10.00	N.A.
Wisconsin Technical College System	23.25	23.25	23.25	0.00	0.0
Workforce Development	<u>150.82</u>	<u>153.82</u>	<u>153.82</u>	<u>3.00</u>	2.0
TOTAL	35,279.15	35,544.54	35,819.79	540.64	1.5%

State Agency 2019-21 Budget Request Summaries

ADMINISTRATION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$17,246,400	\$17,143,900	\$17,164,900	-\$184,000	- 0.5%	63.72	62.72	62.72	- 1.00	- 1.6%
FED	140,229,800	140,291,100	140,297,700	129,200	0.0	62.15	58.65	58.65	- 3.50	- 5.6
PR	380,127,500	379,920,300	380,031,700	- 303,000	0.0	1,334.80	1,337.30	1,337.30	2.50	0.2
SEG	<u>56,486,800</u>	<u>56,510,000</u>	<u>56,512,600</u>	<u>49,000</u>	0.0	<u>13.75</u>	<u>13.75</u>	<u>13.75</u>	<u>0.00</u>	0.0
TOTAL	\$594,090,500	\$593,865,300	\$594,006,900	-\$308,800	0.0%	1,474.42	1,472.42	1,472.42	- 2.00	- 0.1%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$41,100 GPR, \$342,100 FED, -\$680,000 PR, and \$23,200 SEG, and -1.0 FED position in 2019-20 and \$62,100 GPR, \$348,700 FED, -\$376,600 PR, and \$25,800 SEG, and -1.0 FED position in 2020-21.

	Funding	Positions
GPR	\$103,200	0.00
FED	690,800	- 1.00
PR	- 1,056,600	0.00
SEG	<u>49,000</u>	<u>0.00</u>
Total	- \$213,600	- 1.00

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, -\$165,900 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).

2. TRANSFER OF STATE PROSECUTOR'S OFFICE TO DEPARTMENT OF JUSTICE

	Funding	Positions
GPR	- \$287,200	- 1.00

Request the transfer of \$143,200 and 1.0 position annually associated with the Office of the State Prosecutor (SPO) to the Department of Justice (DOJ). [Note that there is no corresponding request from DOJ to have the SPO transferred to DOJ.]

3. SALES AND SERVICES TO NON-STATE ENTITIES

Request creation of a continuing PR appropriation estimated at \$0 annually to provide miscellaneous sales and services to non-state and private entities. The Department of Administration indicates that this appropriation could be used to receive risk, procurement, and other conference registration fees from individuals from local units of government and private entities. Conference fees are currently processed through the administrative appropriations associated with the Bureau of State Risk Management and the State Bureau of Procurement. For example, fees generated by non-state and private entities for the risk management conference are deposited in the risk management administration appropriation. Conference fees generated by non-state and private entities for the risk and procurement conferences were estimated to generate a total of \$800 PR in 2017-18. The requested appropriation could also be used to fund other sales and services for non-state entities. At this time, DOA has identified the types of sales and services for the requested appropriation to include formal meetings with local units of government and private entity participants, such as seminars and conferences.

4. POSITION REALLOCATIONS

Request -\$280,800 FED and -2.5 FED positions annually and \$280,800 PR and 2.5 PR positions annually.

	Funding	Positions
FED	- \$561,600	- 2.50
PR	<u>561,600</u>	<u>2.50</u>
Total	\$0	0.00

Positions and funding would be deleted from the following DOA appropriations: (a) federal aid (\$280,800 and 2.5 positions annually); (b) information technology and communication services to nonstate entities (\$190,400 and 1.85 positions annually); (c) procurement services (\$183,000 and 2.25 positions annually); (d) transportation, records, and document services (\$188,100 and 1.25 positions annually); and (e) justice information systems (\$14,500 and 0.2 positions annually).

Positions and funding would be provided to the following DOA appropriations: (a) materials and services to state agencies and certain districts (\$461,500 and 3.5 positions annually); (b) printing, mail, communication and information technology services to state agencies (\$344,000 and 3.55 positions annually); and (c) risk management administration (\$51,300 and 1.0 position annually).

5. TRANSFER OF HIGH-VOLTAGE TRANSMISSION LINE FEES TO THE PUBLIC SERVICE COMMISSION

Request the transfer of the administration and payment of environmental impact fees for high-voltage transmission lines from the Department of Administration to the Public Service Commission (PSC). The transfer would include two continuing PR appropriations: (a) high-voltage transmission line annual impact fee distributions and (b) high-voltage transmission line environmental impact fee distributions. These appropriations have no expenditure authority. [The PSC's agency budget request does not include a similar item.]

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
Base Level Plan			
1. Reduce expenditure authority for general program operations and delete 1.0 position.	GPR	-143,600	-143,600
2. Reduce position authority for information technology and communications services for nonstate entities by 1.85 positions.	PR	0	0
3. Increase expenditure authority for printing, mail, communication and information technology services and provide 5.55 positions.	PR	538,300	538,300
4. Reduce expenditure authority for procurement services and delete 2.25 positions.	PR	-183,000	-183,000
5. Increase expenditure authority for materials and services to state agencies and certain districts and provide 3.5 positions.	PR	461,500	461,500
6. Reduce expenditure authority for transportation, records, and document services and delete 3.25 positions.	PR	-382,400	-382,400
7. Reduce financial services supplies and services allotment line.	PR	-329,200	-137,200
8. Reduce expenditure authority for justice information systems and delete 0.2 positions.	PR	-14,500	-14,500
9. Reduce expenditure authority for risk management administration and provide 1.0 position.	PR	-139,100	-139,100
10. Increase expenditure authority to replace Capitol Police communication devices.	PR	<u>192,000</u>	0
Total		\$0	\$0
	GPR	(-\$143,600)	(-\$143,600)
	PR	(\$143,600)	(\$143,600)
	SEG	(\$0)	(\$0)

5% Budget Reduction Plan

1. Reduce expenditure authority for general program operations and delete 1.0 position.	GPR	-143,600	-143,600
2. Reduce expenditure authority for the supplies and services for the Local Government Investment Pool.	PR	-7,900	-7,900
3. Eliminate 1.0 FTE Wisconsin Personnel Partners position associated with providing human resource services to nonstate governmental units.	PR	-63,500	-63,500
4. Reduce expenditure authority for information technology and communications services for nonstate entities and delete 1.85 positions.	PR	-10,900,000	-10,900,000
5. Eliminate 1.0 FTE Licensing and Permit Program Associate position and supplies and services.	PR	-53,800	-53,800
6. Increase expenditure authority for printing, mail, communication and information technology services and provide 5.55 positions.	PR	538,300	538,300

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
7. Reduce expenditure authority for procurement services and delete 2.25 positions.	PR	-\$183,000	-\$183,000
8. Increase expenditure authority for materials and services to state agencies and certain districts and provide 3.5 positions.	PR	461,500	461,500
9. Reduce expenditure authority for transportation, records, and document services and delete 3.25 positions.	PR	-382,400	-382,400
10. Reduce expenditure authority for financial services.	PR	-833,600	-641,600
11. Reduce expenditure authority for justice information systems and delete 0.2 positions.	PR	-14,500	-14,500
12. Reduce expenditure authority for postage.	PR	-1,200,000	-1,200,000
13. Reduce expenditure authority for risk management administration and provide 1.0 position.	PR	-139,100	-139,100
14. Eliminate 1.0 FTE Courtroom Stenographer position and supplies and services.	PR	-66,200	-66,200
15. Increase expenditure authority to replace Capitol Police communication devices.	PR	192,000	0
16. Reduce expenditure authority for supplies and services under the Environmental Improvement Programs.	SEG	-61,400	-61,400
17. Reduce expenditure authority for state operations of the Land Information Program.	SEG	-63,700	-63,700
18. Sunset the Diesel Idling Program in FY20, eliminating its expenditure and 1.0 FTE position authority.	SEG	-79,400	-79,400
19. Delete the utility public benefits unallotted reserve created for contractual services.	SEG	<u>-5,748,200</u>	<u>-5,748,200</u>
Total		-\$18,748,500	-\$18,748,500
	GPR	(-\$143,600)	(-\$143,600)
	PR	(-\$12,652,200)	(-\$12,652,200)
	SEG	(-\$5,952,700)	(-\$5,952,700)

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$27,456,500	\$28,726,300	\$28,563,700	\$2,377,000	4.3%	199.40	199.40	199.40	0.00	0.0%
FED	10,820,200	11,676,900	11,415,000	1,451,500	6.7	94.77	92.62	84.62	- 10.15	- 10.7
PR	26,478,000	28,082,800	28,132,100	3,258,900	6.2	216.72	215.77	215.77	- 0.95	- 0.4
SEG	<u>33,913,000</u>	<u>34,369,000</u>	<u>34,426,200</u>	<u>969,200</u>	1.4	<u>130.40</u>	<u>130.50</u>	<u>130.50</u>	<u>0.10</u>	0.1
TOTAL	\$98,667,700	\$102,855,000	\$102,537,000	\$8,056,600	4.1%	641.29	638.29	630.29	- 11.00	- 1.7%
BR		\$7,000,000								

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$171,000 GPR, -\$75,800 FED and -\$154,300 PR 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, \$1,287,500 FED, \$1,174,000 PR, 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, \$5,200 FED in 2019-20 and \$10,500 FED in 2020-21, \$10,500 PR in 2019-20 and \$28,100 PR in 2020-21, and -\$47,100 SEG in 2019-20 and -\$25,500 SEG in 2020-21).

	Funding	Positions
GPR	\$2,177,000	0.00
FED	2,171,900	- 8.00
PR	1,815,700	- 3.00
SEG	<u>954,000</u>	<u>0.00</u>
Total	\$7,118,600	- 11.00

2. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY

BR	\$7,000,000
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Request \$7 million in bonding authority for cost-sharing grants in the soil and water resource management (SWRM) program. SWRM cost-sharing grants funded by bond revenues support landowner installation of structural best management practices at agricultural sites, such as those intended to reduce soil erosion from agricultural lands and to provide for manure storage and containment. DATCP has been authorized \$7 million in new bonding authority in each biennium beginning in 2007-09, and the Department typically provides \$3.5 million per year for grants to landowners.

3. WISCONSIN INITIATIVE FOR DAIRY EXPORTS

GPR	\$200,000
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Request the creation of a continuing appropriation in the Division of Agricultural Development with \$200,000 GPR 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, increased analysis of state and international agricultural markets, and facilitating further trade missions abroad and recruitment of international buyers.

4. ELIMINATE FIRST-TIME VETERINARY LICENSE FEE

PR-REV	- \$20,000
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Request an exemption from the \$115 initial licensing fee for doctors of veterinary medicine (DVMs) and certified veterinary technicians (CVTs) who meet certain requirements. DVMs would be exempt under the proposal if they graduated from a veterinary school approved by the Veterinary Examining Board (VEB), or will be a practitioner or resident of the state. CVTs would be exempt under the proposal if they graduated from an approved school, have been an employee of a veterinarian for two years, or will be a practitioner or resident of the state. There would be no change to the renewal fee of \$160 every two years.

The proposal would be estimated to reduce annual fee revenue by approximately \$20,000 on an annual basis. These fees are deposited into a continuing program revenue appropriation, which had a July 1, 2018, balance of \$808,300. Fee revenues support the Veterinary Examining Board, which regulates the professional standards, education requirements, and licenses of veterinarians and veterinary technicians in Wisconsin, and is administratively attached to the Department.

5. FOOD, LODGING, AND RECREATION CONTINUING APPROPRIATION AUTHORITY

Request to change the annual PR appropriation for food, lodging, and recreation to a continuing appropriation, meaning all monies received, including available cash balances, may be expended generally at the Department's discretion. The Department intends for the change to allow flexibility in covering increased costs associated with a growing regulatory workload. 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 resulting July 1, 2018, balance was \$8.8 million.

6. LABORATORY EQUIPMENT AND SERVICE CHARGES

PR	\$550,000
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Request \$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 and agrichemical management programs. The Bureau charges these programs for its services, with the charges reflected as expenditures to the food safety and agrichemical management programs and as revenues to the laboratory. Total requested expenditure authority for general laboratory services is approximately \$3.9 million in 2019-20 and \$4.0 million in 2020-21.

7. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES

PR	\$450,000
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Request \$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. Total requested expenditures for computer system equipment, staff and services are approximately \$3.1 million each year in the 2019-21 biennium.

8. WEIGHTS AND MEASURES INSPECTION INCREASE

PR	\$400,000
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Request \$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. Total requested expenditures for weights and measures inspection is approximately \$2.0 million each year in the 2019-21 biennium.

9. PROGRAM REVENUE REESTIMATES

PR	- \$240,000
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Request reductions in 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.

10. FEDERAL REVENUE REESTIMATES

FED	- \$422,000
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Request reductions to reflect estimated federal funding to be received by the Department in the 2019-21 biennium. Reductions would be allocated among the following program areas:

DATCP Federal Revenue Reestimates

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

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
Base Level Plan			
1.	Reestimate expenditures in various appropriations.	PR -799,200	-799,200
2.	Increase laboratory equipment and service charges expenditure authority.	PR 250,000	250,000
3.	Increase computer system equipment, staff and services expenditure authority.	PR 200,000	200,000
4.	Increase weights and measures expenditure authority.	PR 200,000	200,000
5.	Realign 3.95 non-federal positions and associated funding sources to reflect their duties.	PR 141,600	141,600
		SEG <u>7,600</u>	<u>7,600</u>
Total		\$0	\$0
		PR (-\$7,600)	(-\$7,600)
		SEG (\$7,600)	(\$7,600)
5% Budget Reduction Plan			
1.	Reestimate expenditures in various appropriations.	PR -2,139,900	-2,139,900
2.	Eliminate the grain inspection program (-17.0 positions).	PR -1,241,700	-1,241,700
3.	Reduce fruit and vegetable inspection staff and expenditures (-6.2 positions).	PR -476,500	-476,500
4.	Eliminate the stray voltage program (-1.2 positions).	PR -262,400	-262,400
5.	Increase laboratory equipment and service charges expenditure authority.	PR 250,000	250,000
6.	Increase computer system equipment, staff and services expenditure authority.	PR 200,000	200,000
7.	Increase weights and measures expenditure authority.	PR 200,000	200,000
8.	Realign 3.95 non-federal positions and associated funding sources to reflect their duties.	PR 141,600	141,600
		SEG <u>7,600</u>	<u>7,600</u>
Total		-\$3,321,300	-\$3,321,300
		PR (-\$3,328,900)	(-\$3,328,900)
		SEG (\$7,600)	(\$7,600)

APPROPRIATION OBLIGATION BONDS

Budget Summary					FTE Position Summary	
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over		There are no positions associated with these debt service appropriations.
		2019-20	2020-21	Base Year	Doubled	
				Amount	%	
GPR	\$413,223,100	\$406,861,900	\$418,149,500	-\$1,434,800	- 0.2%	

Major Request Items

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

GPR	\$9,471,600
GPR-Lapse	<u>- 112,014,800</u>
Net GPR	\$121,486,400

Request no change in 2019-20 and an increase of \$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 in 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 in each year. As a result, the request would reduce the related GPR-lapse by \$58.1 million in 2019-20 and by \$53.9 million in 2020-21. The effect on the general fund of these adjustments would be an increase in net expenditures of \$121.5 million.

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

GPR	-\$10,906,400
GPR-Lapse	<u>- 82,454,000</u>
Net GPR	\$71,547,600

Request a reduction of \$6,361,200 in 2019-20 and a reduction of \$4,545,200 in 2020-21 to reflect the required debt service appropriation level associated with the appropriation obligation 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 base level funding.

While the GPR appropriation is set at the maximum possible payment, any moneys to 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 in each year. As a result, the request would reduce the related GPR-Lapse by \$41.2 million in both 2019-20 and 2020-21. The effect on the general fund of these adjustments would be increase in net expenditures of \$71.5 million.

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$118,400	\$119,200	\$120,000	\$2,400	1.0%	0.00	0.00	0.00	0.00	0.0%
FED	<u>1,445,400</u>	<u>1,477,000</u>	<u>1,478,200</u>	<u>64,400</u>	2.2	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>	0.0
TOTAL	\$1,563,800	\$1,596,200	\$1,598,200	\$66,800	2.1%	7.00	7.00	7.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$2,400
FED	<u>64,400</u>
Total	\$66,800

Request \$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 fund 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 moves costs (\$800 GPR and \$1,200 FED in 2019-20 and \$1,600 GPR and \$2,400 FED in 2020-21).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Reduce GPR-supported rent and overhead supplies and services by transferring these costs to the agency's core federal grant, resulting in a corresponding reduction in funding available for program services.	GPR	- \$5,900	- \$5,900

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
FED	\$52,700	\$52,700	\$52,700	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
PR	<u>1,660,200</u>	<u>1,722,400</u>	<u>1,724,700</u>	<u>126,700</u>	3.8	<u>9.50</u>	<u>9.50</u>	<u>9.50</u>	<u>0.00</u>	0.0
TOTAL	\$1,712,900	\$1,775,100	\$1,777,400	\$126,700	3.7%	9.50	9.50	9.50	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

PR	\$126,700
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Request 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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan				
Reduce agency operations, including: (a) updates to aging software; (b) land sales, resulting in fewer appraisals, surveys, and closing costs; and (c) timber stand improvement work.	PR		-\$83,000	-\$83,000

BOARD ON AGING AND LONG-TERM CARE

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$1,471,600	\$1,485,600	\$1,485,600	\$28,000	1.0%	19.18	19.18	19.18	0.00	0.0%
PR	<u>1,969,600</u>	<u>1,970,000</u>	<u>1,972,500</u>	<u>3,300</u>	0.1	<u>23.32</u>	<u>23.32</u>	<u>23.32</u>	<u>0.00</u>	0.0
TOTAL	\$3,441,200	\$3,455,600	\$3,458,100	\$31,300	0.5%	42.50	42.50	42.50	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$28,000
PR	<u>3,300</u>
Total	\$31,300

Request \$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 fund the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (\$14,000 GPR and \$13,800 PR annually); and (b) full funding of lease payments and directed moves costs (-\$13,400 PR in 2019-20 and -\$10,900 PR in 2020-21).

2015 Act 201 Plan

5% Budget Reduction Plan	Fund	Amount	
		<u>2019-20</u>	<u>2020-21</u>
Reductions in one-on-one in-person casework, a reduced schedule of on-site facility and Family Care monitoring, and fewer scheduled group trainings and presentations.	PR	-\$172,100	-\$172,100

BUILDING COMMISSION

Budget Summary					FTE Position Summary	
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		There are no authorized positions for the Building Commission.
		2019-20	2020-21	Amount	%	
GPR	\$43,860,000	\$43,860,000	\$43,860,000	\$0	0.0%	
PR	1,696,100	1,696,100	1,696,100	0	0.0	
SEG	<u>1,024,200</u>	<u>1,024,200</u>	<u>1,024,200</u>	<u>0</u>	0.0	
TOTAL	\$46,580,300	\$46,580,300	\$46,580,300	\$0	0.0%	

Debt service (principal and interest payments) modifications for the 2019-21 biennium are generally not included in individual state agency budget requests. Any modifications will be included in the Governor's 2019-21 budget recommendations.

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$995,000	\$995,000	\$995,000	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
FED	651,200	658,400	658,400	14,400	1.1	1.00	1.00	1.00	0.00	0.0
PR	1,516,600	1,553,600	1,553,600	74,000	2.4	5.00	6.00	6.00	1.00	20.0
SEG	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
TOTAL	\$3,177,800	\$3,222,000	\$3,222,000	\$88,400	1.4%	6.00	7.00	7.00	1.00	16.7%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request 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).

FED	\$14,400
PR	<u>74,000</u>
Total	\$88,400

2. PREVENT SHAKEN BABY SYNDROME/ABUSIVE HEAD TRAUMA

Request \$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 reinforce these coping strategies through the use of flipcharts.

	Position
PR	1.00

In order to fund this initiative, request that funding the agency distributes as grants, supported by birth certificate fee revenue, be reduced by \$100,000 annually, from \$850,000 to \$750,000.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
Base Level Plan			
1. Increase expenditure authority for new FTE position to implement abusive head trauma prevention program.	PR	\$8,000	\$8,000
2. Reduce expenditure authority for administrative fees by \$8,000.	PR	<u>-8,000</u>	<u>-8,000</u>
Total		\$0	\$0
5% Budget Reduction Plan			
1. Eliminate LTE salary.	PR	-\$2,200	-\$2,200
2. Reduce technical support and training available from CANPB staff to grantees.	PR	-23,200	-23,200
3. Reduce supplies and services to offset the cost of the new FTE position in item 4.	PR	-67,600	-67,600
4. Increase expenditure authority for new FTE position to implement abusive head trauma prevention program.	PR	67,600	67,600
5. Reduce fees for administrative services.	PR	<u>-8,000</u>	<u>-8,000</u>
Total		-\$33,400	-\$33,400

CHILDREN AND FAMILIES

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$464,643,900	\$464,867,000	\$472,896,300	\$8,475,500	0.9%	231.92	231.92	231.92	0.00	0.0%
FED	722,643,900	745,066,800	759,389,400	59,168,400	4.1	379.93	375.73	375.73	- 4.20	- 1.1
PR	112,203,900	120,373,100	118,015,700	13,981,000	6.2	174.31	178.51	178.51	4.20	2.4
SEG	<u>9,274,700</u>	<u>9,274,700</u>	<u>9,274,700</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
TOTAL	\$1,308,766,400	\$1,339,581,600	\$1,359,576,100	\$81,624,900	3.1%	786.16	786.16	786.16	0.00	0.0%

Major Request Items

Departmentwide and Child Welfare

1. STANDARD BUDGET ADJUSTMENTS

Request \$1,341,700 (all funds) in 2019-20 and \$1,460,900 (all funds) in 2020-21 to reflect the following standard budget adjustments: (a) turnover reduction (-\$299,100 GPR, -\$508,500 FED, and -\$284,600 PR annually); (b) full funding of continuing position salaries and fringe benefits (-\$619,200 GPR, \$1,814,300 FED, and \$336,300 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 -\$500 PR in 2019-20 and \$49,700 GPR, \$37,400 PR, and \$30,800 FED in 2020-21); and (f) minor transfers within appropriations (\$0).

GPR	-\$54,600
FED	2,705,900
PR	<u>151,300</u>
Total	\$2,802,600

2. PROGRAM REVENUE AND FEDERAL APPROPRIATIONS ADJUSTMENTS

Request \$6,234,100 (\$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.

FED	\$800,100
PR	<u>10,381,100</u>
Total	\$11,181,200

Program Revenue and Federal Appropriations Funding Adjustments

	Source	Base	2019-20			2020-21		
			Funding Change			Funding Change		
			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	19,300	10,376,100	629,100	27,000	10,383,800
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	43,100	37,647,600	106,300	43,100	37,887,600
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	-429,500	849,000	243,200	-429,500	849,000
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	718,400	24,338,900	767,900	752,500	24,373,000
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			<u>5,425,700</u>			<u>4,955,400</u>		
All Funds			\$6,324,100			\$4,857,100		

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

GPR	\$7,993,300
FED	2,073,000
PR	<u>1,966,300</u>
Total	\$12,032,600

Request \$5,901,800 (\$2,728,300 GPR, \$1,207,200 FED, and \$1,966,300 PR) in 2019-20 and \$6,130,800 (\$5,265,000 GPR and \$865,800 FED) 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, subsidized

guardianship payments, and service costs for wraparound and in-home services (\$1,175,700 PR in 2019-20 and \$1,604,200 GPR and -\$199,500 FED 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 \$733,400 GPR and \$57,200 FED 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 (-\$440,400 GPR and \$440,400 FED in 2019-20 and -\$241,300 GPR and \$241,300 FED in 2020-21).

As part of this item, the Department requests the transfer of 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.

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.

4. ADOPTION ASSISTANCE, FOSTER CARE, AND SUBSIDIZED GUARDIANSHIP

GPR	- \$6,467,800
FED	<u>6,712,900</u>
Total	\$245,100

Request a funding decrease of \$1,111,800 (-\$3,830,100 GPR and \$2,718,300 FED) in 2019-20 and a funding increase of \$1,356,900 (-\$2,637,700 GPR and \$3,994,600 FED) in 2020-21 to reflect: (a) a reestimate of adoption assistance and state foster care payments and changes in federal claiming rates (-\$661,400 GPR and \$3,485,100 FED in 2019-20 and \$531,000 GPR and \$4,761,400 FED in 2020-21); and (b) to transfer subsidized guardianship payments to the appropriations for DMCPS (-\$3,168,700 GPR and -\$766,800 FED annually).

The following table summarizes base funding for these costs, the Department's 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	<u>896,200</u>	<u>-86,900</u>	<u>809,300</u>	<u>700,500</u>	<u>-143,100</u>	<u>557,400</u>
Subtotal	\$2,853,800	\$817,900	\$3,671,700	\$2,658,100	\$761,700	\$3,419,800
Adoption Assistance						
Base Funding	\$48,930,300	\$42,150,700	\$91,081,000	\$48,930,300	\$42,150,700	\$91,081,000
Reestimate	<u>-1,792,900</u>	<u>3,360,200</u>	<u>1,567,300</u>	<u>-404,800</u>	<u>4,692,700</u>	<u>4,287,900</u>
Subtotal	\$47,137,400	\$45,510,900	\$92,648,300	\$48,525,500	\$46,843,400	\$95,368,900
Adoption Service Contracts						
Base Funding	\$2,380,000	\$1,421,900	\$3,801,900	\$2,380,000	\$1,421,900	\$3,801,900
Reestimate	<u>235,300</u>	<u>211,800</u>	<u>447,500</u>	<u>235,300</u>	<u>211,800</u>	<u>447,500</u>
Subtotal	\$2,615,700	\$1,633,700	\$4,249,400	\$2,615,700	\$1,633,700	\$4,249,400
Total						
Base Funding	\$53,267,900	\$44,477,400	\$97,745,300	\$53,267,900	\$44,477,400	\$97,745,300
Reestimate	-661,400	3,485,100	2,824,100	531,000	4,761,400	5,292,800
Subsidized Guardianship Transfer	<u>-3,168,700</u>	<u>-766,800</u>	<u>-3,935,500</u>	<u>-3,168,700</u>	<u>-766,800</u>	<u>-3,935,500</u>
Grand Total	\$49,437,800	\$47,195,700	\$96,633,900	\$50,630,600	\$48,472,000	\$99,102,600

5. JOINT SECURED RESIDENTIAL CARE CENTER COUNTY BONUS

GPR	\$500,000
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Request \$500,000 GPR in 2020-21, as required under 2017 Act 185, to provide bonus youth aids payments to counties that operate a joint secured residential care center. For additional information see "Corrections -- 2017 Act 185."

6. CHILDREN AND FAMILY AIDS

GPR	\$6,512,400
FED	<u>86,200</u>
Total	\$6,598,600

Request \$1,424,300 (\$1,381,200 GPR and \$43,100 FED) in 2019-20 and \$5,174,300 (\$5,131,200 GPR and \$43,100 FED) in 2020-21 to: (a) increase children and family aids (CFA) by \$5,000,000, beginning with the 2020 calendar year contracts (\$1,250,000 GPR in 2019-20 and \$5,000,000 GPR in 2020-21); and (b) fund the costs to continue the 2.5% foster care rate increases included in the 2017-19 biennial budget act (\$131,200 GPR and \$43,100 FED annually). The source of the federal funding is reimbursement for child welfare expenses under Title IV-E of the Social Security Act. Further, request statutory changes that would permit DCF to allocate CFA funding among counties based on the results of a workload study performed in collaboration with county child welfare agencies.

Temporary Assistance for Needy Families

1. WISCONSIN WORKS BENEFITS

FED	- \$18,290,300
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Request a funding decrease of \$9,145,300 in 2019-20 and \$9,145,000 in 2020-21 to reflect estimates of base-year caseloads and benefit payments, which are lower than previously estimated. Total TANF funding for these benefits would be \$35,479,700 in 2019-20 and \$35,480,000 in 2020-21.

2. WISCONSIN WORKS AGENCY CONTRACTS

FED	- \$6,143,400
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Request a funding decrease of \$3,071,700 annually for W-2 administrative contracts, including the costs of case management, work support services, education and training, and agency administration. The decrease in funding reflects decreases in caseloads and costs per case, compared to previous years.

3. WISCONSIN SHARES CHILD CARE SUBSIDY PROGRAM

FED	\$66,041,800
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Request \$27,012,100 in 2019-20 and \$39,029,700 in 2020-21 to fully fund the estimated costs of Wisconsin's child care subsidy program, Wisconsin Shares. The following table summarizes the funding that would be budgeted for the program under the Department's request, including the factors reflected in the Department's estimates. 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).

	Base	2019-20		2020-21	
		Change	Request	Change	Request
(a) Base Subsidies	\$256,214,600	-\$10,603,900	\$245,610,700	-\$8,147,800	\$248,066,800
(b) YoungStar Adjustment	13,881,600	4,238,000	18,119,600	4,896,800	18,778,400
(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	9,519,600	13,519,600
(h) FSET Expansion	0	11,902,100	11,902,100	15,869,500	15,869,500
(i) 5% Rate Increase (Ages 0 to 2)	0	3,392,000	3,392,000	3,392,000	3,392,000
(j) 5% Rate Increase (Ages 2 to 4)	0	4,291,800	4,291,800	4,291,800	4,291,800
(k) \$5 minimum Infant Hourly Rate	0	521,400	521,300	521,400	521,300
(l) Reduced 2-Star Penalty	0	2,213,600	2,213,600	2,213,600	2,213,600
(m) County Contracts	<u>14,855,000</u>	<u>0</u>	<u>14,855,000</u>	<u>0</u>	<u>14,855,000</u>
Total	\$318,369,200	\$27,012,100	\$345,381,200	\$39,029,700	\$357,398,800

As shown in the table, the request includes reestimates of the following 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) fully funding the cost of expanding Wisconsin Shares eligibility for participants of the FoodShare employment and training program (FSET) under 2017 Act 264; (i) a 5% rate increase for children younger than two years of age; (j) creating a statewide \$5 minimum hourly subsidy for infants in licensed childcare providers; (k) a 5% rate increase for children between the ages of two and four years old; (l) creating a \$5 minimum hourly rate for the care of infants; (m) partially reducing the 5% subsidy reduction for 2-Star providers under the YoungStar provider rankings system; and (n) increasing funding for local administration, including contracts for onsite care at job centers and migrant child care.

4. KINSHIP CARE

FED	\$8,364,000
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Request \$3,724,400 in 2019-20 and \$4,639,600 in 2020-21 to reflect estimates of base-year kinship care caseloads and benefit payments, which were higher than previously estimated, and to fully fund the costs to continue the 2.5% foster care rate increases included in the 2017-19 biennial budget act. The monthly payment would remain unchanged at \$244.

5. CHILD WELFARE SAFETY SERVICES

FED	\$4,864,200
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Request \$1,986,600 in 2019-20 and \$2,877,600 in 2020-21 to increase funding for statewide in-home safety services. The Department provides participating counties and tribes with a monthly capitated rate of \$1,100 per enrolled child to fund up to four months of services that enable children to remain safely in their homes. The request includes: (a) \$1,293,600 annually to reflect reestimates of caseloads for the 42 counties and one tribe that currently participate in the program; and (b) \$693,000 in 2019-20 and \$1,584,000 in 2020-21 to expand services to the remainder of the state.

6. CARETAKER SUPPLEMENT

FED	- \$3,849,400
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Request a funding decrease of \$1,924,700 annually to reflect a reestimate of program costs for the caretaker supplement program, a program administered by the Department of Health Services that provides monthly cash payments to individuals who receive supplemental security income (SSI) payments with dependent children. Under the program, in addition to 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.

7. STATE ADMINISTRATION OF WISCONSIN WORKS AND RELATED TANF PROGRAMS FED \$196,500

Request \$37,900 in 2019-20 and \$158,600 to increase funding for the state administration of TANF and TANF-related programs, including cost adjustment for the statewide automated child welfare information system and administrative costs associated with health insurance, retirement, and pay plan reserves.

8. CHILD CARE ADMINISTRATION FED \$82,400

Request a funding decrease of \$183,700 in 2019-20 and an increase of \$266,100 in 2020-21 for state administration of child care activities to reflect an adjustment of rent for the Milwaukee early care administration and administrative costs associated with health insurance, retirement, and reserves.

9. OTHER TANF PROGRAMS

Request base funding for the following programs supported with TANF funds:

<u>TANF-Related Programs</u>	<u>Annual Funding</u>
W-2 Worker Supplement	\$2,700,000
Transitional/Transform Milwaukee Jobs	8,000,000
Quality Care for Quality Kids	15,652,700
Local Fraud Aids	605,500
GED Test Assistance	115,000
Legal Services	500,000
Adult Literacy	41,600
Grants to Boys & Girls Clubs	1,275,000
Grant to Wisconsin Community Services	400,000
Fostering Futures	560,300
Children First/Fatherhood Services	1,140,000
FAST	250,000
Offender Reentry	250,000
Homeless Grants	500,000
Substance Abuse Prevention Grant	500,000
Child Abuse Prevention Grant	500,000
Child Welfare Prevention Services	5,289,600
Social Service Block Grant Transfer	14,653,500
Earned Income Tax Credit	69,700,000
 Total	 \$122,633,200

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
Base Level Plan			
1.	Realignment of funding to reflect needs and organizational structure of the department.	GPR -\$3,900	-\$3,900
2.	Adjust spending authority to reflect reestimate of available program revenue.	PR 579,600	579,600
3.	Reduce funding available to replace the statewide child support data system.	PR -230,500	-301,800
	Total	<u>-345,200</u>	<u>-273,900</u>
		\$0	\$0
		GPR (-\$3,900)	(-\$3,900)
		PR (\$3,900)	(\$3,900)
5% Budget Reduction Plan			
1.	Reduce funding for statewide child welfare information and training systems. Reduce Title IV-E matching funds by \$250,000 annually.	GPR -\$353,500	-\$353,500
2.	Delete 5.0 GPR child abuse and neglect investigators in Milwaukee County. Reduce associated federal funding.	GPR -450,500	-450,500
3.	Reduce funding for statewide automated child welfare information system. Reduce federal Title IV-E matching funds by \$123,000.	PR -50,000	-50,000
4.	Reduce funding to support the statewide automated child welfare information system.	PR -100,000	0
5.	Reduce GPR funding for general program operations. Reduce federal matching funds by approximately \$1.0 million for child support, which may delay the replacement of the statewide child support data system (KIDS).	GPR -515,300	-515,300
6.	Reduce funding to replace KIDS child support data system.	PR -1,487,900	-1,416,600
7.	Reduce funding for worker's compensation for work program participants to reflect actual payments.	PR -300,000	-300,000
8.	Reduce funding for child support operations from interest earnings from child support trust fund.	SEG -1,800	-1,800
9.	Reduce funding for child support operations from unclaimed child support.	SEG -5,000	-5,000
10.	Reduce general administration funding for senior management activities within the Department.	GPR -100,000	-100,000
11.	Reduce program revenue funding for information technology projects, such as those supporting Wisconsin Works and child care programs.	PR -1,868,100	-1,868,100
12.	Realign funding and positions to reflect needs of the Department.	PR 579,600	579,600
13.	Adjust spending authority to reflect reestimate of available program revenue.	PR <u>-430,500</u>	<u>-601,800</u>
	Total	-\$5,083,000	-\$5,083,000
		GPR (-\$1,419,300)	(-\$1,419,300)
		PR (-\$3,656,900)	(-\$3,656,900)
		SEG (-\$6,800)	(-\$6,800)

CIRCUIT COURTS

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$106,242,900	\$102,480,000	\$102,480,000	-\$7,525,800	- 3.5%	527.00	527.00	527.00	0.00	0.0%
PR	<u>232,700</u>	<u>232,700</u>	<u>232,700</u>	<u>0</u>	<u>0.0</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	\$106,475,600	\$102,712,700	\$102,712,700	-\$7,525,800	- 3.5%	527.00	527.00	527.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	- \$7,525,800
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Request adjustments to the base budget totaling -\$3,762,900 annually in the 2019-21 biennium 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.

CORRECTIONS

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$1,160,400,200	\$1,216,583,500	\$1,253,613,600	\$149,396,700	6.4%	9,588.67	9,619.37	9,891.62	302.95	3.2%
FED	2,638,100	2,701,200	2,641,600	66,600	1.3	3.00	1.00	1.00	- 2.00	- 66.7
PR	113,192,400	115,915,000	117,421,300	6,951,500	3.1	536.30	544.30	544.30	8.00	1.5
TOTAL	\$1,276,230,700	\$1,335,199,700	\$1,373,676,500	\$156,414,800	6.1%	10,127.97	10,164.67	10,436.92	308.95	3.1%

Major Request Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request \$13,264,300 GPR and \$1,239,700 PR annually, and \$63,100 FED in 2019-20 and \$3,500 FED in 2020-21 and -2.0 FED positions for the following adjustments to the base budget: (a) turnover reduction (-\$11,506,600 GPR and -\$433,900 PR annually); (b) removal of non-continuing items (-\$178,700 FED in 2019-20 and -\$238,300 FED in 2020-21 and -2.0 FED positions annually); (c) full funding of salaries and fringe benefits (-\$45,966,400 GPR, -\$1,044,700 PR, and \$241,800 FED annually); and (d) night and weekend differential (\$8,495,900 GPR and \$280,000 PR annually). Further, request minor transfers of classified positions within the Department of Correction's general program operations appropriation to various correctional institutions. In addition, request overtime of \$62,241,400 GPR and \$2,438,300 PR annually. It should be noted that in the calculation of full funding of salaries and fringe benefits, costs associated with overtime and night and weekend differential are removed. Thus, those amounts represent the Department's estimated total cost for overtime and night and weekend differential. In 2018-19, the Department's total overtime was budgeted at \$48,203,800 GPR and \$1,808,500 PR.

	Funding	Positions
GPR	\$26,528,600	0.00
PR	2,479,400	0.00
FED	66,600	- 2.00
Total	\$29,074,600	- 2.00

2. PROGRAM REVENUE REESTIMATES

PR	\$9,100,000
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Request \$4,050,000 in 2019-20 and \$5,050,000 in 2020-21 associated with 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 Department of Corrections' request, and the total funding that would be budgeted for these purposes under the Department's request.

<u>Purpose</u>	2018-19 <u>Base</u>	<u>2019-20</u>			<u>2020-21</u>		
		<u>Funding</u>	<u>Budget</u>	<u>Total</u>	<u>Funding</u>	<u>Budget</u>	<u>Total</u>
		<u>Adjustment</u>	<u>Requests</u>		<u>Adjustment</u>	<u>Requests</u>	
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	-227,900	\$19,730,900	-2,250,000	-222,100	20,236,700
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	<u>3,000,000</u>	4,800	\$8,290,800	<u>3,000,000</u>	4,800	8,290,800
Total PR Reestimates		\$4,050,000			\$5,050,000		

3. RISK MANAGEMENT PREMIUM REESTIMATE

GPR	\$6,087,800
PR	<u>984,000</u>
Total	\$7,071,800

Request \$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.

Adult Institutions

1. ADULT CORRECTIONAL FACILITY POPULATIONS

Estimate an average daily population in adult correctional facilities (correctional institutions and centers) and contract beds of 24,187 in 2019-20 and 24,659 in 2020-21. From this projection, the following table identifies the adjusted estimated distribution of this population.

	Nov. 23, 2018	<u>Average Daily Population</u>	
	<u>Actual Population</u>	<u>2019-20</u>	<u>2020-21</u>
Institutions*	21,111	20,534	20,583
Centers	2,030	2,791	2,791
Contract Beds**	<u>485</u>	<u>862</u>	<u>1,285</u>
Total	23,626	24,187	24,659

* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (440 on November 23, 2018, and 386 for 2019-20 and 2020-21).

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

2. POPULATION AND INFLATIONARY COST INCREASES -- ADULT CORRECTIONAL FACILITIES

GPR	\$74,479,000
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Request \$32,086,400 in 2019-20 and \$42,392,600 in 2020-21 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) \$711,700 in 2019-20 and \$1,328,400 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 inmate wages, bedding, clothing, kitchen utensils, and other supplies; and (c) \$28,051,200 in 2019-20 and \$37,689,300 in 2020-21 for inmate non-food health services. The request for inmate health services assumes that per capita inmate cost will 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, and contracting costs with the University Hospital and Clinics, the UW Medical Foundation, Waupun Memorial Hospital, and other community hospitals.

3. CONTRACT BED FUNDING

GPR	\$24,828,400
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Request \$8,425,300 in 2019-20 and \$16,403,100 in 2020-21 related to prison contract beds. The Department projects a total need of 1,367 contract prison 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 of Corrections 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.

4. RACINE CORRECTIONAL INSTITUTION HEALTH SERVICES UNIT EXPANSION

	Funding	Positions
GPR	\$3,869,700	26.95

Request \$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. Requested staffing would include: 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, authorized under 2017 Act 55, is expected to open in April, 2020.

5. STAFFING FOR COLUMBIA CORRECTIONAL INSTITUTION

	Funding	Positions
GPR	\$1,090,100	11.75

Request \$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. Requested funding would include: (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 is expected to open in January, 2019.

6. WISCONSIN SECURE PROGRAM FACILITY PROGRAMMING EXPANSION

	Funding	Positions
GPR	\$410,400	11.25

Request \$410,400 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. Requested funding for operational costs would include: (a) \$253,600 for 8.25 correctional officers; (b) \$18,300 for 1.0 teacher; (c) \$37,800 for 2.0 recreation leaders; and (d) \$100,700 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 \$978,000.

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES

Under the Department’s request, 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.

<u>Facilities</u>	Nov. 23, 2018	<u>Average Daily Population</u>	
	<u>Actual Population</u>	<u>2019-20</u>	<u>2020-21</u>
Lincoln Hills School	114	131	131
Copper Lake School	16	15	15
Mendota Juvenile Treatment Center	26	29	29
Grow Academy	<u>6</u>	<u>6</u>	<u>6</u>
Total Juvenile Correctional Facility	162	181	181

2. STATUTORY DAILY RATES

Request the following statutory daily rates to be established for juvenile correctional services provided or purchased by the Department that would be charged to counties and paid through counties' youth aids allocations, or paid by the state through the serious juvenile offender appropriation.

	Statutory Rates		Request	
	7-1-18 thru	7-1-19 thru	7-1-20 thru	
	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	
Juvenile Correctional Facilities*	\$397	\$502	\$515	

*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.

3. SERIOUS JUVENILE OFFENDER FUNDING

GPR	- \$4,247,900
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Request -\$2,897,800 in 2019-20 and -\$1,350,100 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. The following ADPs for the SJO appropriation, are projected for the 2019-21 biennium:

Average Daily Population

Type of Care	<u>Serious Juvenile Offenders</u>	
	<u>2019-20</u>	<u>2020-21</u>
Juvenile Corrections Facilities	45	58
Community Supervision Program	<u>71</u>	<u>46</u>
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.

4. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE

PR	\$724,200
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Request \$325,100 in 2019-20 and \$399,100 in 2020-21 related to payments to the

Department of Health Services (DHS) for juveniles placed at the Mendota Juvenile Treatment Center. The Department contracts with DHS for 29 mental health beds for juveniles.

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 authorizes 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 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. Act 185 provisions related to Corrections are summarized below.

In addition, under Act 185 counties are authorized to establish secured residential care centers (SRCCs). In addition, 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 are required to include in the 2019-21 agency budget requests costs associated with Act 185: (a) DHS must include the cost for staffing, operating, and maintaining the expansion of the Mendota Juvenile Treatment Center (see a separate entry under DHS); (b) Corrections must include the cost for staffing, operating, and maintaining the new Type 1 juvenile correctional facilities constructed or established (see summary below); and (c) the Department of Children and Families (DCF) must include the cost to provide bonuses to counties that operate a joint SRCC (see a separate entry under DCF).

1. IMPLEMENTING PROVISIONS OF 2017 ACT 185 - JUVENILE

The following estimates are included in the Department's budget request, but are not included in the budget summary table at the beginning of this agency summary. Estimate \$1,186,000 in 2019-20, and \$10,544,800 in 2020-21 associated with the cost for staffing, operating, and maintaining each new Type 1 Juvenile Correctional Facility with approximately 32 beds constructed or established under 2017 Act 185.

Staffing per Type 1 Facility. Estimate 70.0 on-site positions for education and treatment,

facilities and management, health services, and security at each Type 1 Juvenile facility. Staff would have staggered start dates as indicated below.

Proposed Staffing for a 32-bed Type 1 JCF

<u>Position</u>	<u>FTE</u>	<u>Position Authorization Date</u>
Facility Manager	1.0	January-2020
Recreation Leader	1.0	July-2020
Corrections Unit Supervisor	1.0	January-2020
Facilities Repair/Maintenance	1.0	July-2020
Food Service Leader	3.5	July-2020
Psychologist Supervisor	1.0	January-2020
Psychologist	4.0	July-2020
Social Workers	3.0	July-2020
Teacher Supervisor	1.0	January-2020
Nurse Clinician 2	3.5	July-2020
Teacher	5.0	July-2020
Support Staff - All Departments	3.0	January-2020
Nursing Supervisor	1.0	January-2020
Youth Counselors	36.0	July-2020
Supervising Youth Counselor	<u>5.0</u>	July-2020
Total	70.0	

Staffing DJC Central Office. Estimate 17.0 positions to support the needs of multiple Type 1 facilities under an institution management structure similar to the Wisconsin Correctional Center System (WCCS) for adults. Under the new Type 1 facility management structure, many of the 17.0 positions' responsibilities would not change with changes in the Type 1 facility population. Some positions under the new management structure are currently institution based positions that would transfer to the central office with the implementation of Act 185. These positions would work with existing central office staff that support the entire division. Staff would have staggered start dates as indicated below.

Staffing Moved to Central Office

<u>Position</u>	<u>FTE</u>	<u>Position Authorization Date</u>
System Superintendent	1.0	Oct-2019
Education Director	1.0	Oct-2019
Dental Assistant	1.0	July-2020
Dental Hygienist	1.0	July-2020
School Psychologist	1.0	July-2020
Corrections Security Director	1.0	Oct-2019
Corrections Management Services Director	1.0	Oct-2019
Financial Program Supervisor	1.0	July-2020
Financial Specialist	2.0	July-2020
Financial Specialist – Senior	1.0	July-2020
Food Service Administrator	1.0	July-2020
Institution Complaint Examiner	1.0	July-2020
Program and Policy Analyst – Advanced	1.0	Oct-2019
Secretary Confidential	1.0	Oct-2019
Office Operations Associate	1.0	July-2020
Buildings & Grounds Superintendent	<u>1.0</u>	Oct-2019
Total	17.0	

Monitoring SRCC's. Estimate \$155,200 in 2019-20 and \$145,400 in 2020-21 for 2.0 additional positions in the Office of Detention Facilities' (ODF) to accommodate the increased workload of monitoring county-run SRCCs.

DJC Appropriation Structure. The Department recommends modifying authorized appropriation usage to account for a shift in primary funding source from PR to GPR. Under the Act, the Division of Juvenile Corrections (DJC) may primarily serve juveniles *sentenced* under an SJO disposition and youth with adult sentences and placed at a juvenile correctional facility prior to transferring to an adult prison on or around their 18th birthday. The state is responsible for the cost of care and supervision of SJOs and youth with adult sentences through a GPR appropriation under DJC. There may still be some juveniles transferred from an SRCC under change of placement provisions in statute and the county would be responsible for the cost of care and supervision.

2. FUNDING AND STAFFING FOR LINCOLN COUNTY CORRECTIONAL INSTITUTION -- ADULT FACILITY

	Funding	Positions
GPR	\$14,224,200	261.00

Request \$18,399,800 and 261.0 positions in 2020-21 for the conversion of Lincoln Hills and Copper Lake Schools to a minimum-security adult male facility. Requested staffing for the Lincoln County Correctional Institution (Adult) would include: 30.0 social services positions, 21.0 health care positions, 170.0 security positions (including correctional officers), 7.0 business office

positions, and 33.0 administrative/prison operations positions. The adult correctional institution is expected to open on January 1, 2021. In addition, reduce contract bed funding in 2020-21 by \$4,175,600. On an annualized basis, the Lincoln County Correction Institution, as requested, is estimated to cost \$24,180,400. This cost is off-set, in-part, by an annual reduction in contract beds of \$10,800,200.

Under 2017 Act 185, the Department of Corrections will permanently close Lincoln Hills and Copper Lake Schools and transfer the juveniles held there to another Type 1 juvenile correctional facility or to a county-operated Secured Residential Care Center for Children and Youth, no later than January 1, 2021.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Reduce state funding and 783.76 positions for services for Community Corrections and require counties to support utilized services. (No corresponding PR increase is requested.)	GPR	\$58,017,100	\$58,017,100

COURT OF APPEALS

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%			2019-20	2020-21	Number
GPR	\$11,779,300	\$11,341,400	\$11,341,400	-\$875,800	- 3.7%	75.50	75.50	75.50	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	- \$875,800
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Request adjustments to the base budget totaling -\$437,900 annually in the 2019-21 biennium 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						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$44,785,600	\$56,865,600	\$60,585,300	\$27,879,700	31.1%	384.45	523.30	523.30	138.85	36.1%
PR	<u>3,228,400</u>	<u>3,533,600</u>	<u>3,348,900</u>	<u>425,700</u>	6.6	<u>47.00</u>	<u>35.50</u>	<u>34.50</u>	<u>-12.50</u>	-26.6
TOTAL	\$48,014,000	\$60,399,200	\$63,934,200	\$28,305,400	29.5%	431.45	558.80	557.80	126.35	29.3%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling -\$1,145,100 GPR and -0.4 GPR position, \$1,069,200 PR, and -1.0 PR position in 2019-20, and -\$1,159,300 GPR and -0.4 GPR position, \$800,700 PR, and -4.0 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 -0.4 GPR position and -\$35,800 PR and -1.0 PR position in 2019-20 and -\$28,500 GPR and -0.4 GPR position and -\$304,300 PR and -4.0 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 (\$73,600 GPR annually); and (e) night and weekend differential pay (\$94,900 GPR annually).

	Funding	Positions
GPR	-\$2,304,400	- 0.40
PR	<u>1,869,700</u>	<u>- 4.00</u>
Total	-\$434,500	- 4.40

2. FIFTH WEEK OF VACATION AS CASH

GPR	\$292,000
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Request \$146,000 annually to fund costs associated with fifth week of vacation as cash payments. Under current law, certain long-term employees may elect to receive a cash payment in lieu of fifth week of paid vacation.

3. PAY PROGRESSION

GPR	\$8,617,500
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Request \$2,948,300 in 2019-20 and \$5,669,200 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 as of January 6, 2019) and the highest annual salary (\$126,339 as of January 6, 2019). 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 requested is equal to a 10% increase for all ADAs and DDAs.

4. ADDITIONAL GPR PROSECUTOR POSITIONS

	Funding	Positions
GPR	\$21,274,600	139.25
PR	<u>- 1,444,200</u>	<u>- 8.50</u>
Total	\$19,830,400	130.75

Request \$10,130,800 GPR in 2019-20, \$11,143,800 GPR in 2020-21, and 120.85 GPR positions, to provide additional prosecutors to District Attorney offices across the state. In addition, modify funding by -\$764,000 PR and -10.50 PR positions in 2019-20, and -\$680,200 PR and -8.50 PR positions in 2020-21. [Note that the requested GPR funding for new positions includes funding for pay progression in 2020-21.]

a. *New State Prosecutor Positions.* Request \$8,792,200 GPR in 2019-20, \$9,671,300 GPR in 2020-21, and 120.85 GPR-funded positions annually, to provide additional ADAs requested by the following 44 offices:

<u>County</u>	<u>Requested GPR ADA Positions</u>	<u>Current Prosecutor Position Authority*</u>	<u>Resulting Prosecutor Position Authority</u>
Adams	1.00	1.20	2.20
Ashland	1.00	2.00	3.00
Barron	1.00	3.00	4.00
Bayfield	1.00	1.00	2.00
Brown	8.00	14.00	22.00
Calumet	1.00	2.00	3.00
Chippewa	1.00	5.00	6.00
Columbia	1.00	4.75	5.75
Dane	12.00	29.85	41.85
Dodge	2.00	4.00	6.00
Douglas	2.00	3.50	5.50
Dunn	2.00	3.00	5.00
Eau Claire	2.00	9.00	11.00
Fond du Lac	4.50	8.00	12.50
Forest	1.00	1.00	2.00
Green	1.00	2.00	3.00
Jackson	1.00	2.00	3.00
Jefferson	1.00	5.30	6.30
Kenosha	2.00	16.00	18.00
La Crosse	5.00	8.00	13.00
Langlade	1.00	1.50	2.50
Lincoln	1.50	2.00	3.50
Manitowoc	2.00	5.00	7.00
Marathon	6.00	11.00	17.00
Marquette	0.60	1.00	1.60

<u>County</u>	<u>Requested GPR ADA Positions</u>	<u>Current Prosecutor Position Authority*</u>	<u>Resulting Prosecutor Position Authority</u>
Monroe	4.00	3.00	7.00
Outagamie	8.00	10.00	18.00
Ozaukee	3.00	3.00	6.00
Polk	1.00	3.00	4.00
Portage	3.00	4.00	7.00
Price	0.50	1.00	1.50
Racine	7.00	18.00	25.00
Sawyer	2.00	2.00	4.00
Shawano/Menominee	1.00	3.00	4.00
Sheboygan	4.00	7.50	11.50
St. Croix	2.00	6.00	8.00
Taylor	1.00	1.00	2.00
Walworth	3.00	5.00	8.00
Washington	2.00	5.00	7.00
Waukesha	8.75	16.50	25.25
Waupaca	1.00	3.50	4.50
Waushara	1.00	2.00	3.00
Winnebago	3.00	10.00	13.00
Wood	<u>4.00</u>	4.00	8.00
Total	120.85		

*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 Position Authority. Request \$836,600 GPR and 11.5 GPR positions, and -\$764,000 PR and -10.5 PR positions in 2019-20, and \$920,300 GPR and 11.5 GPR positions, and -\$680,200 PR and -8.5 PR positions in 2020-21, to convert funding for certain prosecutor positions from program revenue to general purpose revenue. [Note that the requested GPR funding and position authority does not match the requested reduction of PR funding and position authority because: (a) 1.0 PR position requested for conversion is requested for removal as a non-continuing element in the District Attorneys' standard budget adjustment (see "Item 1 -- Standard Budget Adjustments"); and (b) 2.0 PR positions requested for conversion are not included in the District Attorneys' base budget because the position authority for the positions ends before the 2020-21 fiscal year.] The 11.5 requested GPR positions would include 2.0 ADA positions in Fond du Lac County, 2.5 ADA positions in Marathon County, and 7.0 ADA positions in Milwaukee County. The request indicates that federal and county grant funding currently supporting the positions may not be available during the 2019-21 biennium.

c. Increase Existing Part-Time ADA Position Authority: Request \$502,000 GPR in 2019-20, \$552,200 GPR in 2020-21, and 6.9 GPR positions annually, to increase part-time prosecutor positions in the following 14 counties:

<u>County</u>	<u>Additional ADA Position Authority Requested</u>	<u>Current Prosecutor Position Authority*</u>	<u>Resulting Prosecutor Position Authority</u>
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	<u>0.50</u>	3.50	4.00
Total	6.90		

*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. Both Burnett and Washburn Counties are requesting authority to create a full-time ADA.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Reduce prosecutors statewide by 32.8 positions.	GPR	\$2,385,500	\$2,385,500

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%			2019-20	2020-21	Number
GPR	\$6,351,400	\$6,818,500	\$6,821,600	\$937,300	7.4%	26.94	30.94	30.94	4.00	14.8%
PR	<u>13,187,800</u>	<u>14,362,300</u>	<u>14,368,200</u>	<u>2,354,900</u>	8.9	<u>28.24</u>	<u>24.24</u>	<u>24.24</u>	<u>- 4.00</u>	- 14.2
TOTAL	\$19,539,200	\$21,180,800	\$21,189,800	\$3,292,200	8.4%	55.18	55.18	55.18	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- \$62,700
PR	<u>- 68,300</u>
Total	- \$131,000

Request a reduction of \$32,900 GPR and \$37,100 PR in 2019-20 and a reduction of \$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

	Funding	Positions
GPR	\$1,000,000	4.00
PR	<u>- 1,000,000</u>	<u>- 4.00</u>
Total	\$0	0.00

Request \$500,000 GPR annually and 4.0 GPR positions beginning in 2019-20 to provide funding and positions for the K-12 educational services division. 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 K-12 educational services division, commonly known as the Wisconsin Media Lab, 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. As the PR expenditure authority and positions would be unnecessary if the requested GPR funding and positions were provided, ECB requests a reduction in PR expenditure authority of \$500,000 annually and 4.0 PR positions beginning in 2019-20.

3. INCREASE GIFTS AND GRANTS

PR	\$3,423,200
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Request an increase in expenditure authority of \$1,711,600 annually to fund projected increases in expenses charged to the gifts and grants appropriation. Base year expenditure authority

for this appropriation is \$13,039,400.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Eliminate 1.84 positions in administration and engineering. ECB indicates that eliminating such positions would adversely affect its ability to operate its broadcast network.	GPR	-\$127,600	-\$127,600
2. Reduce air conditioning at transmitter sites. May lead to increases in repair costs and network failure.	GPR	-47,700	-47,700
3. Eliminate 6.16 positions and reduce expenditures for supplies and equipment and staff training and development.	PR	-680,000	-680,000
Total		-\$855,300	-\$855,300
	GPR	(-\$175,300)	(-\$175,300)
	PR	(-\$680,000)	(-\$680,000)

ELECTIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$4,291,700	\$4,728,100	\$4,675,000	\$819,700	9.5%	25.75	25.75	25.75	0.00	0.0%
FED	1,050,000	916,600	935,400	- 248,000	- 11.8	6.00	6.00	6.00	0.00	0.0
PR	1,700	1,000	1,000	- 1,400	- 41.2	0.00	0.00	0.00	0.00	0.0
SEG	100	100	100	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	\$5,343,500	\$5,645,800	\$5,611,500	\$570,300	5.3%	31.75	31.75	31.75	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$322,100
FED	- 248,000
Total	\$74,100

Request 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. FUNDING FOR THE ELECTRONIC REGISTRATION INFORMATION CENTER (ERIC)

GPR	\$452,600
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Request \$278,200 in 2019-20 and \$174,400 in 2020-21 for: (a) Electronic Registration Information Center (ERIC) annual list maintenance and membership dues (\$255,700 in 2019-20 and \$174,400 in 2020-21); and (b) one-time funding of \$22,500 in 2019-20 for WisVote 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 requested to: (a) fund annual membership dues; (b) perform an annual list maintenance for voters who are identified by ERIC as having potentially moved; (c) contact voters who have been identified by ERIC as being eligible to vote but are not yet registered to vote; and (d) 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.

2015 Act 201 Plans

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
Base Level Plan			
1. Increase spending authority for general program operations.	GPR	\$96,000	\$37,100
2. Reduce spending authority for investigations.	GPR	-25,000	-20,000
3. Reduce spending authority for voter identification training.	GPR	-70,300	-16,400
4. Reduce spending authority for materials and services to align with available revenue.	PR	<u>-700</u>	<u>-700</u>
Total		\$0	\$0
	GPR	(\$700)	(\$700)
	PR	(\$700)	(\$700)
5% Budget Reduction Plan			
1. Reduce spending authority for general program operations.	GPR	-\$106,300	-\$106,300
2. Eliminate funding for investigations.	GPR	-25,000	-25,000
3. Eliminate funding for voter identification training.	GPR	-82,600	-82,600
4. Reduce spending authority for materials and services to align with available revenue.	PR	-700	-700
5. Reduce spending authority for election administration.	SEG	<u>-100</u>	<u>-100</u>
Total		-\$214,700	-\$214,700
	GPR	(-\$213,900)	(-\$213,900)
	PR	(\$700)	(\$700)
	SEG	(\$100)	(\$100)

EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$68,000	\$47,900	\$31,600	-\$56,500	-41.5%	0.00	0.00	0.00	0.00	0.0%
SEG	<u>47,901,700</u>	<u>48,417,700</u>	<u>48,331,600</u>	<u>945,900</u>	1.0	<u>272.20</u>	<u>276.20</u>	<u>276.20</u>	<u>4.00</u>	1.5
TOTAL	\$47,969,700	\$48,465,600	\$48,363,200	\$889,400	0.9%	272.20	276.20	276.20	4.00	1.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	\$714,900
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Request 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. POSITION AUTHORITY AND STATUTORY MODIFICATIONS FOR DISABILITY PROGRAMS REDESIGN

Positions	
SEG	2.00

Request 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.

Request that oversight for the income continuation insurance (ICI) and LTDI programs be transferred from the Group Insurance Board to the Employee Trust Funds Board. Further, request the following statutory modifications to the ICI program, effective January 1, 2021: (a) specify that premiums would be based on elimination periods of 30, 60, 90, and 180 days rather than an individual's amount of accumulated sick leave; (b) eliminate the annual deferred enrollment period connected to sick leave accrual as well as the requirement to exhaust up to 130 days of sick leave prior to receiving benefits; (c) eliminate long-term ICI benefits by limiting the maximum benefit

period to 18 months following the employee's selected elimination period; (d) reduce the benefit amount from 75% to 70% of pre-disability earnings up to a maximum monthly benefit of \$7,000 based on \$10,000 of monthly earnings; (e) specify that employers would pay the full premium for an elimination period of 180 days, with the employee paying a share of the premium for shorter elimination periods; (f) eliminate supplemental coverage (up to \$120,000 of annual pay would be covered by default under the proposed redesign); (g) eliminate the one-year service requirement that applies to UW faculty and academic staff with respect to employer premium contributions; and (h) reduce the earnings offset for employees who return to work part-time with their former employer from 75% to 70%. Statutory modifications are requested to reduce program complexity, simplify administration, address an existing deficit in the state ICI program, and increase availability of ICI benefits to employees.

Request the following statutory modifications to the disability retirement annuity program under s. 40.63 of the statutes: specify that, beginning January 1, 2020, if an individual exceeds the annual earnings limit in two calendar years within a five-year period, the individual's disability annuity benefit payments will be terminated; specify that the determination of the last day paid be made consistent with regular Wisconsin Retirement System (WRS) payments and other ETF disability programs; and specify that a named joint survivor is entitled to the larger of either the disability benefit or the member's active WRS death benefit if the member dies before their disability application is approved.

3. UNCLASSIFIED STAFF FOR OFFICE OF INTERNAL AUDIT

Request that a statutorily designated Office of Internal Audit be created, which would be attached to ETF, under the direction and supervision of an internal auditor appointed by the ETF Board outside the classified service. The Office would be required to provide independent assurance that the public employee trust fund assets under the control of the Department are safeguarded for the purpose of ensuring the fulfillment of benefit commitments. Under the request, the internal auditor would report directly to the ETF Board, which would determine the compensation of the internal auditor outside the state compensation plan. The internal auditor would be authorized to review any activity, information, or record of ETF that relates to the administration of the public employee trust fund. The internal auditor would be responsible for planning and conducting audit activities, including external audits, risk assessments, research projects, and management reviews under the direction of the ETF Board, in accordance with policies, principles, and directives determined by the Board. In addition, the internal auditor would be responsible for monitoring ETF's compliance with applicable legal requirements and contracts entered into by ETF and the Board. Also under the request, the internal auditor would appoint all employees necessary to carry out the duties and functions of the Office outside the classified service, and would determine the compensation of employees of the Office outside the state compensation plan, subject to approval by the ETF Board. Request that the budget of the Office of Internal Audit be transmitted by ETF to the Governor without change or modification by ETF, unless agreed to by the ETF Board.

Request that the ETF Board be provided authority to create or abolish auditor positions funded from ETF's segregated administration appropriation. Under current law, a position funded from segregated revenue may only be created or abolished with the approval of the Joint

Committee on Finance under s. 13.101 of the statutes or through an act of legislation.

The Department currently has an administrative Office of Internal Audit, which reports functionally and administratively to the Secretary of ETF. The Office is authorized 4.0 classified positions in 2018-19. Under the request, the incumbents holding the classified positions performing audit functions who have achieved permanent status in class would, while serving in the unclassified service, retain the protections afforded employees in the classified service relating to demotion, suspension, discharge, layoff, or reduction in base pay and would have reinstatement privileges to the classified service. An incumbent employee who has not achieved permanent status in class would be eligible to receive the protections, privileges, and rights of employees in the classified service if they successfully complete service equivalent to the probationary period required in the classified service for the position they held.

4. CONSOLIDATE ADMINISTRATIVE APPROPRIATIONS AND REPEAL OTHER APPROPRIATIONS

Request the transfer of \$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). Request the repeal of 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 benefit administration appropriation funds independent medical evaluations for recipients of disability benefits. The Department indicates that it does not use its appropriations for gifts and grants and federal aid.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
Base Level Plan			
1. Transfer expenditure authority from the benefit administration appropriation to the administration appropriation.	SEG	-\$4,900	-\$4,900
2. Transfer expenditure authority from the health insurance data collection and analysis contracts appropriation to the administration appropriation.	SEG	-968,100	-968,100
3. Delay modernization efforts to upgrade legacy systems. Transfer expenditure authority from other appropriations to the administration appropriation.	SEG	<u>973,000</u>	<u>973,000</u>
Total		\$0	\$0

		<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
		<u>Fund</u>	
5% Budget Reduction Plan			
1.	Reduce expenditure authority for the automated operating system appropriation and delay modernization efforts to upgrade legacy systems.	SEG	-\$455,700
2.	Eliminate funding of independent medical evaluations for disability programs.	SEG	-4,900
3.	Transfer expenditure authority from the health insurance data collection and analysis contracts appropriation to the administration appropriation.	SEG	-968,100
4.	Delay modernization efforts to upgrade legacy systems. Transfer expenditure authority from health insurance data collection and analysis contracts appropriation to the administration appropriation. Reduce funding for health insurance data collection and analysis. Reduce funding for Wisconsin Retirement System employer and member training, outreach travel, and other supplies and services.	SEG	-966,300
Total			-\$2,395,000

EMPLOYMENT RELATIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$1,019,800	\$893,600	\$895,200	-\$250,800	- 12.3%	6.00	6.00	6.00	0.00	0.0%
PR	145,600	145,600	145,600	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	\$1,165,400	\$1,039,200	\$1,040,800	-\$250,800	- 10.8%	6.00	6.00	6.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	- \$250,800
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Request 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).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Reduce expenditure authority for general program operations associated with a vacant attorney position.	GPR	-\$58,300	-\$58,300

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary					FTE Position Summary		
	2018-19	<u>Request</u>		2019-21 Change Over		Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.	
Fund	Adjusted Base	2019-20	2020-21	Base Year Doubled	Amount		%
GPR	\$15,482,400	\$15,482,400	\$15,482,400	\$0	0.0%		
SEG	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>0</u>	0.0		
TOTAL	\$23,482,400	\$23,482,400	\$23,482,400	\$0	0.0%		
BR		\$7,100,000					

Major Request Items

1. GENERAL AND REVENUE OBLIGATION BONDING AUTHORITY BR \$7,100,000

Request an increase in general obligation bonding authority of \$7,100,000 for the safe drinking water loan program within the environmental improvement fund, as shown in the table. No new general obligation or revenue obligation bonding authority is requested for the clean water fund program. Revenue obligations are issued to provide financial assistance for municipal wastewater facility projects in the clean water fund program. State revenue bonds are retired primarily through repayments of program loans. General obligation bonds are issued to pay for the 20% state match to the federal capitalization grants for the safe drinking water loan program, and, in the past were used to pay for the 20% state match to the federal grants for the clean water fund program.

Environmental Improvement Fund (EIF) Bonding Authority

	<u>Current</u>	<u>Request</u>	<u>Total</u>
Clean water fund program general obligation	\$646,283,200	\$0	\$646,283,200
Safe drinking water loan program general obligation	<u>71,400,000</u>	<u>7,100,000</u>	<u>78,500,000</u>
Subtotal General Obligation Bonding	\$717,683,200	\$7,100,000	\$724,783,200
Clean water fund program revenue obligation	<u>2,526,700,000</u>	<u>0</u>	<u>2,526,700,000</u>
Total Bonding Authority	\$3,244,383,200	\$7,100,000	\$3,251,483,200

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 stormwater runoff control projects. The safe drinking water loan

program provides financial assistance to municipalities for the planning, design, construction or modification of public water systems.

2. DEBT SERVICE COSTS

While no change is included for GPR sum-sufficient debt service on EIF general obligation bonds, a reestimate will be included in the Governor's budget. Debt service payments from 2016-17 through the 2018-19 budgeted amounts are shown in the table. Clean water fund program debt service is also paid from a sum-certain SEG appropriation supported by a portion of repayments from municipalities or loans funded from general obligation bonds.

Environmental Improvement Fund Debt Service Expenditures

	GPR Clean Water Fund <u>Program</u>	SEG Clean Water Fund <u>Program</u>	Safe Drinking Water Loan GPR	<u>Total</u>
2016-17 Actual	\$12,938,400	\$8,000,000	\$5,282,800	\$26,221,200
2017-18 Actual	9,888,600	8,000,000	5,095,400	22,984,000
2018-19 Budgeted	9,893,500	8,000,000	5,588,900	23,482,400

ETHICS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$843,400	\$910,600	\$911,300	\$135,100	8.0%	4.55	4.55	4.55	0.00	0.0%
PR	501,200	514,000	514,500	26,100	2.6	3.45	3.45	3.45	0.00	0.0
TOTAL	\$1,344,600	\$1,424,600	\$1,425,800	\$161,200	6.0%	8.00	8.00	8.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$103,700
PR	- 14,100
Total	\$89,600

Request adjustments to the base totaling \$51,500 GPR and -\$7,300 PR in 2019-20 and \$52,200 GPR and -\$6,800 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); and (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).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Reduce spending authority for investigations.	GPR	-\$25,000	-\$25,000
2. Reduce spending authority for lobbying administration.	PR	-42,300	-42,300
 Total		 -\$67,300	 -\$67,300
	GPR	(-\$25,000)	(-\$25,000)
	PR	(-\$42,300)	(-\$42,300)

FINANCIAL INSTITUTIONS

Budget Summary						FTE Position Summary				
Fund	2018-19	Request		2019-21 Change Over		2018-19	Request		2020-21	
	Adjusted Base	2019-20	2020-21	Base Year Doubled	%		2019-20	2020-21	Over 2018-19	%
PR	\$18,562,200	\$18,693,400	\$18,716,700	\$285,700	0.8%	139.54	139.54	139.54	0.00	0.0%
SEG	<u>765,000</u>	<u>805,900</u>	<u>806,100</u>	<u>82,000</u>	5.4	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	0.0
TOTAL	\$19,327,200	\$19,499,300	\$19,522,800	\$367,700	1.0%	141.54	141.54	141.54	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

PR	\$285,700
SEG	<u>82,000</u>
Total	\$367,700

Request adjustments to 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).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Savings on vacancies, travel, and other miscellaneous reductions.	PR	-\$691,300	-\$691,300
	SEG	<u>-275,000</u>	<u>-275,000</u>
Total		-\$966,300	-\$966,300

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary					FTE Position Summary	
	2018-19 Adjusted Base	<u>Request</u>		2019-21 Change Over <u>Base Year Doubled</u>		There are no state authorized positions for the Fox River Navigational System.
Fund		2019-20	2020-21	Amount	%	
SEG	\$125,400	\$125,400	\$125,400	\$0	0.0%	

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Reduce operations, which are funded from the water resources account of the conservation fund.	SEG	-\$6,300	-\$6,300

GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	<u>Request</u>		2019-21 Change Over Base Year Doubled		2018-19	<u>Request</u>		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$3,814,200	\$4,027,200	\$4,027,200	\$426,000	5.6%	37.25	37.25	37.25	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$426,000
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Request adjustments to the base budget totaling \$213,000 annually in the 2019-21 biennium associated with full funding of continuing positions salaries and fringe benefits.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
Base Level Plan		<u>2019-20</u>	<u>2020-21</u>
Eliminate 2.0 FTE (Unclassified) positions and supplies and services.	GPR	-\$190,700	-\$190,700

HEALTH SERVICES

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$4,011,431,100	\$4,205,468,000	\$4,441,248,000	\$623,853,800	7.8%	2,561.71	2,592.80	2,592.80	31.09	1.2%
FED	6,270,127,800	6,590,740,400	6,760,005,800	810,490,600	6.5	1,260.95	1,266.68	1,265.18	4.23	0.3
PR	1,421,105,500	1,489,112,900	1,584,448,200	231,350,100	8.1	2,360.23	2,387.41	2,525.41	165.18	7.0
SEG	<u>579,941,900</u>	<u>584,480,300</u>	<u>581,627,000</u>	<u>6,223,500</u>	0.5	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	0.0
TOTAL	\$12,282,606,300	\$12,869,801,600	\$13,367,329,000	\$1,671,918,000	6.8%	6,184.89	6,248.89	6,385.39	200.50	3.2

Major Request Items

Medicaid and Other Public 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 Department's request.

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 the 2019-21 biennium, compared to the base level funding for the program. The cost-to-continue item reflects the Department's estimates of MA costs in the 2019-21 biennium with no programmatic changes to benefits or eligibility. The Department is also requesting a change to benefits related to a lead exposure initiative and an increase in program revenue funding to reflect a reestimate of the expenditure authority associated with a county maintenance of effort provision for the children's long-term support (CLTS) waiver program.

Table 2 shows actual and projected average monthly enrollment by major eligibility group.

TABLE 1**Summary of MA Benefits Funding**

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2019-20					
Base Funding	\$3,106,247,200	\$5,549,940,600	\$1,018,685,500	\$579,630,900	\$10,254,504,200
Cost-to-Continue Request	152,305,200	186,666,300	27,602,300	4,511,900	371,085,700
Lead Exposure Initiative	1,422,800	2,077,300	0	0	3,500,100
CLTS-County Reestimate	<u>0</u>	<u>0</u>	<u>6,000,000</u>	<u>0</u>	<u>6,000,000</u>
2019-20 Total	\$3,259,975,200	\$5,738,684,200	\$1,052,287,800	\$584,142,800	\$10,635,090,000
2020-21					
Base Funding	\$3,106,247,200	\$5,549,940,600	\$1,018,685,500	\$579,630,900	\$10,254,504,200
Cost-to-Continue Request	342,395,800	338,970,900	112,093,500	1,658,200	795,118,400
Lead Exposure Initiative	1,422,800	2,077,300	0	0	3,500,100
CLTS-County Reestimate	<u>0</u>	<u>0</u>	<u>6,000,000</u>	<u>0</u>	<u>6,000,000</u>
2020-21 Total	\$3,450,065,800	\$5,890,988,800	\$1,136,779,000	\$581,289,100	\$11,059,122,700
2019-21 Biennium					
Cost-to-Continue	\$494,701,000	\$525,637,200	\$139,695,800	\$6,170,100	\$1,166,204,100
Lead Exposure Initiative	2,845,600	4,154,600	0	0	7,000,200
CLTS-County Reestimate	<u>0</u>	<u>0</u>	<u>12,000,000</u>	<u>0</u>	<u>12,000,000</u>
Total Change to Base	\$497,546,600	\$529,791,800	\$151,695,800	\$6,170,100	\$1,185,204,300
Total 2019-21 Funding	\$6,710,041,000	\$11,629,673,000	\$2,189,066,800	\$1,165,431,900	\$21,694,212,700

TABLE 2**Actual and Projected Monthly Average Enrollment by Group**

	Actual	DHS Estimates		
	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Elderly, Blind, Disabled MA				
Elderly*	66,178	67,828	69,544	71,302
Disabled, Non-Elderly Adults	138,904	140,081	141,550	143,036
Disabled Children	<u>31,437</u>	<u>33,135</u>	<u>33,679</u>	<u>33,833</u>
EBD Total	236,519	241,044	244,773	248,171
BadgerCare Plus				
Parents and Caretakers	162,795	155,441	153,112	153,112
Children	461,841	454,252	451,996	451,996
Childless Adults	148,942	149,976	151,178	152,392
Pregnant Women	<u>20,401</u>	<u>20,376</u>	<u>20,350</u>	<u>20,350</u>
BadgerCare Plus Total	793,979	780,045	776,636	777,850
Other Full Benefit MA				
Foster Care/Subsidized Adoption	20,308	20,796	21,398	22,049
Well Woman	572	556	555	555
Limited Benefit Groups				
Family Planning Only	38,540	40,543	41,154	41,568
Medicare Cost Sharing Assistance	23,297	24,115	24,865	25,621
Total Enrollment	1,113,215	1,107,099	1,109,381	1,115,814

*Some persons in the "Elderly" category may also have a qualifying disability.

Table 3 shows the annual change in the Department's enrollment projections. The 2018-19 column, for instance, shows the projected enrollment change in each category compared to 2017-18 enrollment. The Department projects that BadgerCare Plus enrollment will generally decline from current levels, while EBD enrollment will continue to grow, consistent with recent trends.

TABLE 3

Annual Percentage Change in Enrollment from Prior Year

	DHS Estimates		
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Elderly, Blind, Disabled MA			
Elderly	2.5%	2.5%	2.5%
Disabled, Non-Elderly Adults	0.8	1.0	1.0
Disabled Children	5.4	1.6	0.5
EBD Total	1.9	1.5	1.4
BadgerCare Plus			
Parents and Caretakers	-4.5%	-1.5%	0.0%
Children	-1.6	-0.5	0.0
Childless Adults	0.7	0.8	0.8
Pregnant Women	-0.1	-0.1	0.0
BadgerCare Plus Total	-2.3	-0.7	0.0
Other Full Benefit MA			
Foster Care/Subsidized Adoption	2.4%	2.9%	3.0%
Well Woman	-2.9	-0.1	0.0
Limited Benefit Groups			
Family Planning Only	5.2%	1.5%	1.0%
Medicare Cost Sharing Assistance	3.5	3.1	3.0
Total Enrollment	-0.5%	0.2%	0.6%

Table 4 shows actual and projected SEG revenues to the MA trust fund under the Department's 2019-21 budget request. The Department's cost-to-continue request item is based on the assumption that all revenues in the MA trust fund will be spent on MA benefits in each year, offsetting the GPR budget requirements. MA trust fund revenues are expected to decline during the 2019-21 biennium due to a decrease in the federal matching rate for the children's health insurance program (CHIP) from 94.5% in 2018-19 to 85.9% in 2019-20 and to 74.4% in 2020-21. With this decrease, the amount of hospital assessment funding needed to make hospital access payments will increase to offset a decrease in federal CHIP funds, thus reducing the amount of assessment revenue available for transfer to the MA trust fund.

TABLE 4**Actual and Projected Medical Assistance Trust Fund Revenues
Fiscal Years 2017-18 through 2020-21**

	Actual	DHS Estimates		
	2017-18	2018-19	2019-20	2020-21
Provider Assessments				
Hospital Assessment*	\$175,647,000	\$164,527,000	\$164,816,200	\$154,339,600
Nursing Home/ICF-ID Bed Assessment	66,683,100	67,388,600	66,114,700	64,453,200
Critical Access Hospital Assessment*	1,896,200	1,545,200	1,513,900	494,800
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	26,663,600	13,000,000	13,000,000
UW Certified Public Expenditures	0	3,800,000	1,900,000	1,900,000
County Mental Health Certified Public Expenditures	0	4,378,700	4,416,900	4,427,200
Other				
Transfer from Permanent Endowment Fund	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
Interest Earnings**	<u>-441,600</u>	<u>-450,000</u>	<u>-450,000</u>	<u>-450,000</u>
Total	\$341,714,800	\$349,056,500	\$331,579,000	\$317,524,100

* 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

Request \$371,085,700 in 2019-20 (\$152,305,200 GPR, \$186,666,300 FED, \$27,602,300 PR, and \$4,511,900 SEG) and \$795,118,400 in 2020-21 (\$342,395,800 GPR, \$338,970,900 FED, \$112,093,500 PR, and \$1,658,200 SEG) to fund projected MA benefits under a cost-to-continue scenario (no program changes to benefits or eligibility).

GPR	\$494,701,000
FED	525,637,200
PR	139,695,800
SEG	<u>6,170,100</u>
Total	\$1,166,204,100

The requested funding increases are based on the Department'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). In preparing the request, the Department developed estimates for each year of the 2019-21 biennium and then requested funding to make up the difference between the totals and the 2018-19 appropriation base.

The Department's estimate of total 2018-19 MA expenditures is slightly below the 2018-19 appropriation base. Consequently, the above-base increases in the Department's cost-to-continue request are less than the increases above the 2018-19 expenditure level. Table 1 shows the relationship between the 2018-19 appropriation base and anticipated 2018-19 expenditures, as well as the requested increase in the 2019-21 biennium relative to both baselines. Amounts are shown for GPR funding as well as on an all-funds basis (GPR, FED, PR, and SEG). In addition to the change relative to 2018-19, the final line in the table shows the requested funding increase for 2020-21 in comparison to the 2019-20 level in order to show the annual change for both years.

TABLE 1**2019-21 Projected MA Expenditures Compared to Appropriation Base and Projected 2018-19 Expenditures, Cost-to-Continue Scenario (\$ in Millions)**

	<u>GPR</u>	<u>All Funds</u>
2018-19 Appropriation Base	\$3,106.2	\$10,254.5
2018-19 Projected Expenditures	3,083.2	10,239.4
Difference between Base and Expenditures (2018-19 Surplus)	23.0	15.1
2019-20 Cost-to-Continue Request	\$3,258.6	\$10,625.6
Above Base Increase	152.3	371.1
Increase above 2018-19 Projected Expenditures	175.3	386.1
2020-21 Cost-to-Continue Request	\$3,448.6	\$11,049.6
Above Base Increase	342.4	795.1
Increase above 2019-20 Projected Expenditures	190.1	424.0

As shown in Table 1, total MA expenditures, on an all-funds basis, are anticipated to increase by \$386.1 million in 2019-20 and by \$424.0 million in 2020-21, relative to the respective prior years. Table 2 shows total funding, as well as the anticipated changes under the cost-to-continue scenario, by major service category. Drug expenditures are shown separately in order to highlight the impact of drug rebates on net expenditures. The amounts in the final three lines ("Other Program Adjustments") are shown separately since the changes are related primarily to timing of payments, rather than reflecting changes in service utilization or cost. The 53rd week payment adjustment is made in fiscal years in which there are 53 Mondays (the day of the week that provider payments are made) instead of 52.

TABLE 2

**Total All Funds Expenditures and Annual Change by Major Service Category,
Cost-to-Continue Scenario (\$ in Millions)**

	2018-19	2019-20		2020-21	
	<u>Total</u>	<u>Annual Change</u>	<u>Total</u>	<u>Annual Change</u>	<u>Total</u>
Long Term Care Services					
Fee for Service Nursing Home	\$842.0	-\$37.1	\$804.9	-\$17.1	\$787.8
Fee for Service Home Care	279.4	12.6	292.0	11.8	303.8
Children's Long Term Care	81.9	22.2	104.1	13.6	117.7
Family Care and Other Managed Care	<u>2,701.4</u>	<u>155.8</u>	<u>2,857.2</u>	<u>185.0</u>	<u>3,042.2</u>
Total Long Term Care	\$3,904.7	\$153.5	\$4,058.2	\$193.3	\$4,251.5
Managed Care Acute Care Services					
BadgerCare Plus Parents and Children	\$1,036.7	-\$16.2	\$1,020.4	\$51.9	\$1,072.3
Childless Adults	531.6	18.2	549.8	14.3	564.1
SSI Managed Care	415.7	-1.6	414.2	16.8	430.9
Specialized Managed Care	<u>53.4</u>	<u>1.1</u>	<u>54.5</u>	<u>1.8</u>	<u>56.3</u>
Total Managed Care Acute Care	\$2,037.4	\$1.5	\$2,038.9	\$84.8	\$2,123.7
Fee for Service and Other Program Costs					
Hospitals	824.6	42.1	866.7	23.7	890.5
Mental Health and Autism	218.3	23.0	241.3	23.7	265.0
Federally Qualified Health Centers	201.5	14.1	215.6	10.8	226.4
Other Services	709.4	16.9	726.3	21.6	747.9
Clawback* and Medicare Cost Sharing	<u>582.2</u>	<u>26.0</u>	<u>608.1</u>	<u>41.1</u>	<u>649.2</u>
Total Fee for Service	\$2,536.1	\$122.0	\$2,658.1	\$120.9	\$2,779.0
Drugs (Excludes Rebates)**					
Drug Rebates	\$1,230.0	\$95.9	\$1,325.9	\$100.3	\$1,426.2
Net Drug Cost	<u>-820.5</u>	<u>-75.0</u>	<u>-895.5</u>	<u>-84.9</u>	<u>980.4</u>
	\$409.5	\$20.8	\$430.4	\$15.5	\$445.9
Other Program Adjustments					
UW Physician Payment Supplement	\$45.2	-\$32.2	\$13.0	\$0.0	\$13.0
Hospital Access Payment through HMOs	486.1	-29.6	456.5	-0.4	456.2
53rd Weekly Payment	0.0	75.0	75.0	-75.0	0.0
Total	\$10,239.4	\$386.1	\$10,625.6	\$424.0	\$11,049.6

* Payments states make to the federal government to fund a share of the cost of the Medicare Part D program.

** Drug expenditures are shown both with and without the impact of drug rebates. Because the amounts in the table are shown on an all-funds basis, and drug rebates are counted as a PR expenditure, the totals reflect the gross drug cost, rather than the cost net of rebates.

Table 3 shows the federal medical assistance percentages (FMAP) used for the Department's federal funding estimates, by state fiscal year. The 2019-20 and 2020-21 FMAP rates for the Children's Health Insurance Plan (CHIP) will decrease from the current rate due to the phase-out of a CHIP FMAP add-on that applied from federal fiscal year 2015-16 to 2018-19. Of the requested biennial GPR increase of \$494.7 million, the Department estimates that \$73.0 million is due to the decrease in the CHIP FMAP.

TABLE 3

Federal Medical Assistance Percentage (FMAP) Rates, By State Fiscal Year

<u>State Fiscal Year</u>	<u>Title 19 (Most MA Services)</u>	<u>Title 21 (Children's Health Insurance Plan)</u>
2018-19		
State	40.78%	5.55%
Federal	59.22	94.45
2019-20		
State	40.64%	14.08%
Federal	59.36	85.92
2020-21		
State	40.65%	25.58%
Federal	59.35	74.42

3. SENIORCARE COST-TO-CONTINUE

GPR	\$1,369,500
FED	1,249,800
PR	<u>22,742,200</u>
Total	\$25,361,500

Request \$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.

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.

The funding increase reflects the Department's assumptions for enrollment, distribution of enrollees among eligibility categories, cost per enrollee, federal matching percentages, and drug rebate revenue estimates. DHS projects that during the three-year period from 2018-19 through 2020-21, SeniorCare enrollment will increase by 1% annually in the lowest two income eligibility categories ("a" and "b" above), by 2% annually in the third highest category ("c" above), and by 11% annually in the spend-down category ("d" above). In the same three-year period, DHS also projects that the per beneficiary cost will increase by 8% annually in the lowest two income eligibility categories, by 10% annually in the third highest category, and by 2% annually in the spend-down category.

The following table summarizes SeniorCare benefits funding, by source, including the Department's 2019-20 and 2020-21 estimates.

Actual and Requested SeniorCare Benefits Funding

Source	Actual	Estimate	Base	DHS Estimate		Requested Change to Base	
	2017-18	2018-19	2018-19	2019-20	2020-21	2018-19	2020-21
GPR	\$17,204,000	\$16,043,500	\$20,927,400	\$19,617,200	\$23,607,100	-\$1,310,200	\$2,679,700
FED	17,249,800	16,649,400	21,067,700	19,928,100	23,457,100	-1,139,600	2,389,400
PR	<u>70,833,500</u>	<u>80,418,900</u>	<u>75,312,300</u>	<u>84,461,900</u>	<u>88,904,900</u>	<u>9,149,600</u>	<u>13,592,600</u>
Total	\$105,287,300	\$113,111,800	\$117,307,400	\$124,007,200	\$135,969,100	\$6,699,800	\$18,661,700

4. LEAD EXPOSURE AND LEAD POISONING PREVENTION

	Funding	Positions
GPR	\$11,041,900	2.14
FED	<u>31,817,300</u>	<u>2.86</u>
Total	\$42,859,200	5.00

Request \$23,304,900 (\$4,896,200 GPR and \$18,408,700 FED) in 2019-20 and \$19,554,300 (\$6,145,700 GPR and \$13,408,600 FED) in 2020-21 and 5.0 positions (2.14 GPR positions and 2.86 FED positions), beginning in 2019-20, to support lead exposure prevention activities, as described below.

CHIP Funding for Lead Abatement. By January 1, 2019, DHS intends to submit a state plan amendment (SPA), which would allow the state to use federal children's health insurance program (CHIP) administrative funding for lead abatement activities in the homes of children enrolled in MA or CHIP, beginning in 2018-19. If approved, DHS intends to allocate \$16,417,600 FED (CHIP), together with \$1,379,500 GPR in currently budgeted funding, to distribute to local housing agencies to support lead abatement activities in the current fiscal year.

DHS requests \$1,750,000 GPR and \$15,837,200 FED in 2019-20 and \$3,000,000 GPR and \$11,014,200 FED in 2020-21 to increase lead abatements of residential properties occupied by children and pregnant women eligible for MA or CHIP. More GPR is requested in 2020-21 than in 2019-20 because the federal medical assistance percentage (FMAP) rate for CHIP is expected to decrease from 94.45% in 2018-19 to 85.92% in 2019-20, and to 74.42% in 2020-21.

Abatement for Properties Not Occupied by CHIP-Eligible Children. DHS Department requests \$1,000,000 GPR annually to provide grants for lead abatement for properties not occupied by children enrolled in MA or CHIP. DHS proposes working with the Department of Administration Division of Energy, Housing, and Community Resources to distribute these grants to local housing agencies.

Blood-Lead Testing -- HMO Incentives. DHS requests \$3,500,100 (\$1,422,800 GPR and \$2,077,300 to increase pay-for-performance incentives to BadgerCare HMOs. Currently, DHS withholds approximately 2.5% of the capitation rates it provides to HMOs. The HMOs receive the withheld funds if they meet certain performance targets. This item would increase the incentive from 2.5% to 2.75% in an effort to increase HMOs' blood lead level testing rates for MA and CHIP-eligible children.

Abatement Training Grants. In its SPA, DHS intends to request authority to use CHIP funding to provide one-time abatement training grants to abatement companies, distributed by the Department of Workforce Development. DHS intends to allocate \$300,000 FED in 2018-19 to fund abatement training grants. DHS requests \$50,900 GPR and \$249,200 FED in 2019-20 to continue to fund these abatement training grants in 2019-20.

Public Health Outreach. DHS requests \$575,100 GPR in 2019-20 and \$596,800 GPR to fund: (a) grants to physician groups to establish a peer-to-peer public health outreach program to increase lead testing among children at risk for lead poisoning (\$500,000 GPR annually); and (b) 1.0 public health educator position in the Division of Public Health, who would oversee the outreach program (\$75,100 GPR in 2019-20 and \$96,800 GPR in 2020-21).

State Staff. In 2018-19, DHS intends to contract for 4.0 positions (a contract specialist, a public health nurse, a database specialist, and an epidemiologist position), with contract staff in 2018-19. The Department requests \$324,400 (\$97,400 GPR and \$245,000 FED) in 2019-20 and \$443,200 (\$126,100 GPR and \$317,100 FED) in 2020-21 to convert these positions to 4.0 permanent state positions (1.14 GPR positions and 2.86 FED positions), beginning in 2019-20.

5. ADULT PROTECTIVE SERVICES FOR FAMILY CARE PARTICIPANTS

GPR	\$1,300,800
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Request \$650,400 annually to fund adult protective services for Family Care participants in Adams, Dane, Florence, Forest, Oneida, Rock, Taylor, and Vilas counties. Since starting the transition to Family Care, DHS has provided Family Care counties 2% of their 2006 basic county allocations (BCA) to replace the legacy waiver funding that the counties previously used to fund adult protective services. This item would fund adult protective services in the counties in which Family Care expanded in the 2017-19 biennium.

6. SSI AND CARETAKER SUPPLEMENT REESTIMATE

GPR	- \$8,194,000
PR	- 3,433,600
Total	- \$11,627,600

Request a decrease of \$6,369,000 (-\$4,652,200 GPR and -\$1,716,800 PR) in 2019-20 and decrease of \$5,258,600 (-\$3,541,800 GPR and -\$1,716,800 PR) in 2020-21 to reflect the Department'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. Request a decrease of \$4,652,200 GPR in 2019-20 and a decrease of \$3,541,800 GPR in 2020-21 to fully fund projected costs of state supplemental SSI benefits. In July, 2018, approximately 119,300 individuals received state supplemental SSI benefits payments, including the basic supplement (\$83.78 per month for single individuals). Of these recipients, approximately 24,800 individuals qualified for the exceptional expense benefit (\$95.99 per month

for single individuals), which is paid in addition to the basic supplement to individuals who require 40 hours of supportive home care or other care per month or live in small community-based residential facilities or other assisted living settings. The number of individuals who receive the state supplement has decreased somewhat in recent years, from a high of approximately 121,400 in June, 2016. Base funding for these payments is \$163,289,200 GPR, which is budgeted in a sum sufficient appropriation. DHS projects SSI state supplement payments totaling \$158,637,000 GPR in 2019-20 and \$159,747,400 GPR in 2020-21.

Caretaker Supplement. Request a decrease of \$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. DHS projects caretaker supplement benefit payments will total \$24,321,200 PR in each year of the 2019-21 biennium, which is equal to the annualized average actual expenditure level between January and June of 2018.

7. FOODSHARE EMPLOYMENT AND TRAINING PROGRAM

	Funding	Positions
GPR	\$64,281,700	3.25
FED	<u>59,163,100</u>	<u>3.25</u>
Total	\$123,444,800	6.50

Request \$27,248,400 (\$13,886,200 GPR and \$13,362,200 FED) in 2019-20 and \$96,196,400 (\$50,395,500 GPR and \$45,800,900 FED) in 2020-21 to increase funding for the FoodShare employment and training (FSET) program in the 2019-21 biennium. Request 6.50 positions (3.25 GPR positions and 3.25 FED positions), beginning in 2019-20, to implement previously-approved FSET program expansions. These positions include 3.0 permanent positions and 3.5 four-year project positions, terminating September 30, 2023.

Vendor Contracts. The request includes funding to increase vendor contracts to: (a) serve the current FSET caseload, including an increase in the amounts that would be budgeted for average monthly per enrollee costs, from \$283 in 2018-19 to \$349 in 2019-20 and \$356 in 2020-21; (b) reflect reestimates of the amount of federal funding that will be available to support program costs; (c) implement program expansions in the 2019-21 biennium that were authorized in the 2017-19 biennium; and (d) provide performance bonuses to vendors.

Staff Costs. The staff request is intended to manage and implement program changes in the 2019-21 biennium.

The following table summarizes the amounts that would be budgeted for vendor contracts and staff costs under the Department's request.

FSET Enrollment Estimates and Funding Request

	Est. Avg. Number of <u>Enrollees</u>	Estimated Avg. Monthly <u>Cost/Enrollee</u>	<u>GPR</u>	<u>FED</u>	<u>Local Funds</u>	<u>All Funds</u>
2019-20						
Base	12,500	\$283	\$17,625,000	\$23,446,400	\$2,500,000	\$43,571,400
Change in Caseload, Average Costs, and Available Federal Revenue	<u>-2,678</u>	<u>66</u>	<u>2,334,000</u>	<u>2,334,000</u>	<u>0</u>	<u>4,668,000</u>
Subtotal	9,822	\$349	\$19,959,000	\$25,780,400	\$2,500,000	\$48,239,400
Program Expansion and Performance Bonuses						
Require Enrollment for Able-Bodied Adults, with Specified Exceptions (2017 Act 264) -- Begin October 1, 2019	4,091	\$349	\$8,702,500	\$8,702,500		\$17,405,000
Enroll Medicaid Recipients Who Are Childless Adults (Provision included in BadgerCare Waiver Application) --Begin October 1, 2019	1,105	\$347	\$2,562,000	\$2,038,000		\$4,600,000
Total Est. Caseload and Funding Requested for FSET Vendor Contracts	15,018		\$31,223,500	\$36,520,900	\$2,500,000	\$70,244,400
Change to Base -- Vendor Contracts	2,518		\$13,598,500	\$13,074,500		\$26,673,000
Cost of 6.50 Additional DHS Staff Positions			\$287,700	\$287,700		\$575,400
Total Change to Base -- Vendor Contracts and Staff			\$13,886,200	\$13,362,200		\$27,248,400
	Est. Avg. Number of <u>Enrollees</u>	Estimated Avg. Monthly <u>Cost/Enrollee</u>	<u>GPR</u>	<u>FED</u>	<u>Local Funds</u>	<u>All Funds</u>
2020-21						
Base	12,500	\$283	\$17,625,000	\$23,446,400	\$2,500,000	\$43,571,400
Change in Caseload, Average Costs, and Available Federal Revenue	<u>-2,678</u>	<u>73</u>	<u>2,862,000</u>	<u>2,862,000</u>	<u>0</u>	<u>5,724,000</u>
Subtotal	9,822	\$356	\$20,487,000	\$26,308,400	\$2,500,000	\$49,295,400
Program Expansion and Performance Bonuses						
Require Enrollment for Able-Bodied Adults, with Specified Exceptions (2017 Act 264) -- Begin October 1, 2019	12,825	\$356	\$27,404,000	\$27,404,000		\$54,808,000
Enroll Medicaid Recipients Who Are Childless Adults (Provision included in BadgerCare Waiver Application) -- Begin October 1, 2019	7,839	\$354	\$18,559,000	\$14,763,000		\$33,322,000
Performance Bonuses (2017 Act 266) -- Earned in SFY 2020, Paid in SFY 2021			\$1,197,800	\$399,200		\$1,597,000
Total Est. Caseload and Funding Requested for FSET Vendor Contracts	30,486		\$67,647,800	\$68,874,600	\$2,500,000	\$139,022,400
Change to Base -- Vendor Contracts	17,986		\$50,022,800	\$45,428,200		\$95,451,000
Cost of 6.50 Additional DHS Staff Positions			\$372,700	\$372,700		\$745,400
Total Change to Base -- Vendor Contracts and Staff			\$50,395,500	\$45,800,900		\$96,196,400

**8. DIVISION OF MEDICAID SERVICES ADMINISTRATION --
CONTRACTS AND OTHER SUPPLIES AND SERVICES**

GPR	\$22,503,000
FED	<u>67,648,500</u>
Total	\$90,151,500

Request \$53,336,100 (\$11,970,100 GPR and \$41,366,000 FED) in 2019-20 and \$36,815,400 (\$10,532,900 GPR and \$26,282,500 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. Request \$52,714,900 (\$11,648,700 GPR and \$41,066,200 FED) in 2019-20 and \$35,996,000 (\$10,108,300 GPR and \$25,887,700 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), services DXC will provide that are not included in the base contract, and the estimated costs of implementing a Medicaid savings account program created by 2017 Wisconsin Act 271.

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 conducted 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 Department's request, the base GPR and FED funding budgeted for these DMS contracts, and the difference, which is the amount DHS requests under this item.

Summary of Total Funding Requested for Division of Medicaid Services Contracts

	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
Implement Medicaid Savings Accounts	<u>400,000</u>	<u>1,200,000</u>	<u>0</u>	<u>1,600,000</u>	<u>1,940,000</u>	<u>2,020,000</u>	<u>0</u>	<u>3,960,000</u>
Subtotal	\$24,240,600	\$54,407,100	\$2,837,000	\$81,484,700	\$25,895,000	\$55,459,600	\$2,837,000	\$84,191,700
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								
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	\$20,404,900	\$42,388,900	\$2,425,000 ³	\$65,218,800	\$17,200,900	\$34,026,700	\$2,425,000	\$53,652,600
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	<u>\$492,000</u>	<u>\$243,200</u>	<u>\$543,100⁵</u>	<u>\$1,278,300</u>	<u>\$492,000</u>	<u>\$243,200</u>	<u>\$543,100</u>	<u>\$1,278,300</u>
Total	\$80,477,000	\$201,182,300	\$7,597,800	\$289,257,100	\$78,936,700	\$186,003,800	\$7,605,200	\$272,545,700
Base Funding	\$68,828,300	\$160,116,100			\$68,828,300	\$160,116,100		
Difference -- Requested Funding Increase for DMS Contracts	\$11,648,700	\$41,066,200		\$52,714,900	\$10,108,400	\$25,887,700		\$35,996,100

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. Request \$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.

9. INCOME MAINTENANCE WORKLOAD -- RECENT LEGISLATION

	Funding	Positions
GPR	\$1,799,100	1.48
FED	<u>4,255,400</u>	<u>3.52</u>
Total	\$6,054,500	5.00

Request \$2,267,500 (\$681,100 GPR and \$1,586,400 FED) in 2019-20 and \$3,787,000 (\$1,118,000 GPR and \$2,669,000 FED) in 2020-21 and 5.00 positions (1.48 GPR positions and 3.52 FED positions), beginning in 2019-20, to implement new medical assistance (MA) and FoodShare enrollment and eligibility policies enacted in the previous legislative sessions. These policies include: (a) work requirements, health risk assessments and drug screenings for certain adult MA recipients without dependent children; (b) a savings account program for MA recipients; (c) child support compliance as a condition of MA eligibility; (d) mandatory participation in the FoodShare employment and training (FSET) program for certain adults with school-age dependents enrolled in FoodShare; and (e) drug screening for individuals referred to FSET.

Income Maintenance Consortia and Tribal IM Agencies. Request \$2,053,700 (\$616,900 GPR and \$1,436,800 FED) in 2019-20 and \$3,430,000 (\$1,012,600 GPR and \$2,417,400 FED) in 2020-21 to increase funding DHS distributes to county income maintenance (IM) consortia and tribal IM agencies to meet workload resulting from these policy changes. The following table shows the Department's estimates of the costs these local agencies will incur to implement each change.

Funding Increases for Income Maintenance (IM) Consortia and Tribal IM Agencies

	2019-20			2020-21		
	GPR	FED	Total	GPR	FED	Total
Work Requirements for Certain MA Recipients without Dependents (2017 Act 59)	\$242,600	\$713,600	\$956,200	\$346,200	\$979,200	\$1,325,400
Child Support Compliance as a Condition of MA Eligibility (2017 Act 268)	69,100	207,200	276,300	207,200	621,600	828,800
Mandatory Participation in FSET for Adults with School-Age Dependents (2017 Act 264)	191,200	191,200	382,400	254,900	254,900	509,800
Health Savings Accounts for Certain MA Recipients (2017 Act 271)	82,600	247,700	330,300	110,100	330,300	440,400
Health Risk Assessments and Drug Screening for MA Recipients without Dependents (2015 Act 55)	22,900	68,600	91,500	68,600	205,800	274,400
Drug Screening for Individuals Referred to FSET (2015 Act 55)	<u>8,500</u>	<u>8,500</u>	<u>17,000</u>	<u>25,600</u>	<u>25,600</u>	<u>51,200</u>
Total Change to Base	\$616,900	\$1,436,800	\$2,053,700	\$1,012,600	\$2,417,400	\$3,430,000

State Staff -- Milwaukee Enrollment Services (MiLES). Request \$213,800 (\$64,200 GPR and \$149,600 FED) in 2019-20 and \$357,000 (\$105,400 GPR and \$251,600 FED) in 2020-21 to support 5.00 additional positions (1.48 GPR positions and 3.52 FED positions), beginning in 2019-20, to address projected workload increases for MiLES, which provides IM services to Milwaukee County residents.

10. FUNERAL AND CEMETERY AIDS

GPR	- \$513,900
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Request a reduction of \$370,800 in 2019-20 and \$143,100 in 2020-21 to reflect reestimates

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. DHS 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.

Care and Treatment Facilities

1. MENDOTA JUVENILE TREATMENT CENTER EXPANSION

	Funding	Positions
PR	\$11,599,400	188.50

Request \$3,159,500 and 50.5 positions in 2019-20 and \$8,439,900 and 188.5 positions in 2020-21 as part of an initiative to expand the capacity of the Mendota Juvenile Treatment Center (MJTC) by 64 beds, from 29 beds currently to 93 beds.

MJTC, which is located 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.

MJTC has 50.5 PR positions, although staff from MMHI also provide coverage when needed. MJTC staff costs are paid through a transfer from DOC, which is \$4,298,100 in 2018-19. Funding for this transfer consists of a DOC GPR appropriation of \$1,365,500 and \$2,932,600 PR. Program revenues are DOC's collections from counties for juvenile commitments. [Although the transfer is composed of GPR and PR, the expenditure authority in DHS is all PR.] Other costs associated with MJTC, including food, supplies, and medical services, are funded through the MMHI budget.

The Department's request is in response to a requirement included in 2017 Act 185, which 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, and to include a proposal in its 2019-21 budget request for funding and positions to operate the expanded facility. Act 185 provided \$15.0 million in general fund

supported bonding for the construction of the expansion.

Under the Department's proposal, staffing and positions would be provided to expand MJTC's capacity by using existing space and through the construction of a new facility. The building that currently houses MJTC includes a 14-bed unit that is now 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. DHS anticipates this expansion will occur in September of 2019. The Department would construct an additional 50-bed facility, consisting of four units, to complete the full 64-bed expansion. Under the Department's proposed construction schedule, one 10-bed unit of the new facility would be completed in September of 2020, while the other units would be completed by June of 2021. Since the Department's proposal would construct more than the minimum number of beds required by Act 185, the Department also included, in its capital budget request, an additional \$34.0 million in general fund supported bonding for the facility, bringing the total cost of the new facility to \$49.0 million.

Of the new beds, 20 would be built for females, while the remaining 44 would be for males. The following table shows the Department's proposed expansion timeline, including the date that the Department anticipates hiring staff for the unit.

DHS MJTC Expansion Proposal Timeline

<u>Unit</u>	<u>Gender</u>	<u>Date Staff Hired</u>
14-beds, existing space	Males	September, 2019
10-beds, new facility	Females	September, 2020
10-beds, new facility	Females	June, 2021
15-beds, new facility	Males	June, 2021
15-beds, new facility	Males	June, 2021

The Department's funding and position proposal is based on the unit opening timeline shown in the previous table. For the purposes of the request, DHS divides the staff into three categories. First, program and supervisory staff (8.0 positions) would serve the entire 64-bed expansion, and would include the treatment director and other supervisory and administrative positions. Second, facility staff (22.0 positions) would serve the new 50-bed facility, and would include correctional officers, custodians, maintenance, food service, and general medical personnel. [Existing facility staff for the current MJTC facility would serve these functions for the 14-bed expansion.] Third, unit staff (158.5 positions) would provide direct services at each of the five new units. These positions would include psychiatric care technicians, mental health and treatment professionals, nurses, and teachers. In addition to salary, fringe benefits, and supplies and services costs for staff, the Department's request includes food and variable non-food supplies and services in the cost estimate.

The following table shows the requested funding by purpose and year.

MJTC Expansion Funding Request

	<u>2019-20</u>	<u>2020-21</u>
Salaries	\$1,688,300	\$4,458,500
Fringe Benefits	777,200	2,044,000
Staff Supplies and Services	539,100	1,344,100
Variable Non-Food Supplies and Services	137,700	530,500
Food	<u>17,200</u>	<u>62,800</u>
 Total	 \$3,159,500	 \$8,439,900

The operational costs of the MJTC expansion would be funded from fees charged by DHS to DOC or counties. The Department requests a statutory change that would eliminate the current provision requiring a transfer from DOC's budget of sum certain amounts for MJTC and instead would authorize the Department to bill counties and DOC for care provided at MJTC, based on rates set by the Department.

The Department also requests other statutory changes related to Act 185 provisions. First, the Department's proposal would modify the authority of courts to place a juvenile at MJTC. The Department's request would eliminate the Act 185 provision giving a court authority to make placements at MJTC "upon the recommendation of" DHS. Instead, a county or DOC would be able to transfer a juvenile to MJTC with the approval of DHS. A court would be prohibited from ordering DHS to accept direct placement of a juvenile at MJTC and the director of MJTC would be given explicit responsibility for all decisions regarding admission, treatment, and release and return of juvenile offenders to the appropriate state or county facility. DHS indicates that these changes are designed to ensure that the Department maintains control over decisions of which juveniles are appropriate subjects of MJTC treatment and when treatment is completed or is no longer beneficial. In addition, it would allow DHS to limit placements if MJTC does not have capacity to accept additional juveniles.

Second, the Department requests the elimination of a provision of Act 185 that requires approval of the Joint Committee on Finance to the Department's MJTC expansion, on the grounds that the Committee and the full Legislature are given opportunity to review and approve the expansion by acting on the Department's funding and position budget proposal in the 2019-21 budget.

2. OVERTIME AT DHS FACILITIES

GPR	\$7,756,800
PR	<u>10,134,800</u>
Total	\$17,891,600

Request \$3,878,400 GPR and \$5,067,400 PR annually to fully fund anticipated overtime costs at the Department's treatment and residential facilities. The Department's request is based on the difference between actual overtime costs the facilities incurred in 2017-18 and the amount provided under the overtime standard budget adjustment (see "Departmentwide and Public Health -- Standard Budget Adjustments"). Under the Department of Administration's budget instructions, the overtime standard budget adjustment is not based on actual overtime costs, but rather is equal to the amount provided in the overtime

standard budget adjustment in the prior biennium. Since this policy has been used for each budget since 2013-15, the last biennium for which actual overtime costs were used for the standard budget adjustment was 2011-13. The following table shows the Department's annual requested overtime increase by facility and fund source under this item.

**Annual Requested Funding Increase to Fully Fund Overtime,
By Facility and Fund Source**

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
Mendota Mental Health Institute	\$1,908,600	\$297,200	\$2,205,800
Winnebago Mental Health Institute	1,046,400	1,051,100	2,097,500
Wisconsin Resource Center	131,500	0	131,500
Sand Ridge Secure Treatment Center	791,900	0	791,900
Central Wisconsin Center	0	1,401,200	1,401,200
Southern Wisconsin Center	0	2,160,100	2,160,100
Northern Wisconsin Center	<u>0</u>	<u>157,800</u>	<u>157,800</u>
Total	\$3,878,400	\$5,067,400	\$8,945,800

3. FOOD AND NONFOOD SUPPLIES AND SERVICES AT DHS CARE AND TREATMENT FACILITIES

GPR	-\$1,588,100
PR	<u>9,361,200</u>
Total	\$7,773,100

Food. Request \$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. Request \$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 \$34,514,300 (\$24,118,500 GPR and \$10,303,300 PR).

The following table summarizes the Department'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 2019-20 and 50 in 2020-21), for which funding for food and variable nonfood supplies and services is requested under a separate item.

Average Monthly Resident Projections -- DHS Care and Treatment Facilities

Facility	Actual	Estimates		
	2017-18	2018-19	2019-20	2020-21
Mendota Mental Health Institute	309	337	347	347
Winnebago Mental Health Institute	171	205	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	<u>17</u>	<u>14</u>	<u>14</u>	<u>14</u>
Total	1,556	1,679	1,597	1,597

4. YOUTH CRISIS STABILIZATION FACILITY

GPR	\$1,992,800
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Request \$996,400 annually for a youth crisis stabilization grant. The 2017-19 budget act (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. The 2017-19 biennial budget bill, as passed by the Legislature, provided \$1,245,500 in program revenue from the state mental health institutes PR appropriation in the Joint Committee on Finance program supplements appropriation and directed the Department to submit a proposal to the Committee for making a grant to one or more youth crisis stabilization facilities. In signing Act 59, the Governor vetoed these provisions, but directed the Department to make a grant of at least \$1,245,500 for a youth crisis stabilization facility using PR funding appropriated for the mental health institutes. The Department is in the process of finalizing administrative rules establishing standards for a youth crisis stabilization facility and anticipates making a grant to a facility by June of 2019.

Act 59 required the Department to submit a proposal in its 2019-21 budget request to fund a youth crisis stabilization grant with a GPR appropriation. The amount in the budget request proposal is the Department's estimate of the annual operating cost of one youth crisis stabilization facility.

5. PEER-RUN RESPITE CENTER FOR VETERANS

GPR	\$900,000
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Request \$450,000 annually for a peer-run respite center to provide services for veterans who have difficulty coping with mental illness or a substance use disorder. The 2017-19 budget act (Act 59) provided \$450,000 PR in 2018-19, on a one-time basis, from revenues in the appropriation for the mental health institutes to establish a peer-run respite center for veterans. DHS anticipates selecting a grantee that will begin operating a center in early 2019. Act 59 also required the Department to submit a proposal in its 2019-21 budget request to fund the grant on an ongoing basis with GPR. This proposal would fund the grant at the same level as was provided in 2018-19 by Act 59.

6. MENTAL HEALTH INSTITUTES FUNDING SPLIT

Request \$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 Department'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.

	Funding	Positions
GPR	\$4,353,000	24.22
PR	<u>- 4,353,000</u>	<u>- 24.22</u>
Total	\$0	0.00

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 Department typically requests modifications to 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.

Departmentwide and Public Health

1. STANDARD BUDGET ADJUSTMENTS

Request \$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 2010-21); and (g) minor transfers within appropriations (\$0 annually).

	Funding	Positions
GPR	\$17,890,600	0.00
FED	10,152,500	- 4.50
PR	11,123,500	0.00
SEG	<u>53,400</u>	<u>0.00</u>
Total	\$39,220,000	- 4.50

2. FEDERAL REVENUE REESTIMATES

FED	\$110,494,600
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Request \$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 Department's request.

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 appropriation under other items requested by the Department, and the total amount that would be budgeted in each appropriation under the Department's budget request.

Federal Revenue Reestimates

	Base	2019-20			2020-21		
		Reestimate	Other Items	Total	Reestimate	Other Items	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	-1,296,600	30,675,400	4,966,000	200	31,972,200
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 - Nursing Homes	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	244,000	948,800	197,500	201,200	906,000
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	-6,131,400	0	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							
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	<u>66,800</u>	0	1,100,000	<u>66,800</u>	0	1,100,000
Total		\$55,282,300			\$55,212,300		

3. PROGRAM REVENUE FUNDING ADJUSTMENTS

PR	\$34,614,600
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Request \$17,257,300 in 2019-20 and \$17,357,300 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 appropriation under other items requested by the Department, and the total amount that would be budgeted in each appropriation under the Department's budget request.

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	-\$137,100	\$262,900	\$32,000	-\$137,100	\$262,900
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
Elderly Nutrition	445,500	54,500	500	500,500	54,500	500	500,500
Radiation Monitoring	167,700	30,300	-80,300	117,700	30,300	0	198,000
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	156,200	8,200,000	1,439,300	156,200	8,300,000
Care and Treatment Services							
Inter-Agency and Intra-Agency Programs	2,908,300	222,100	360,100	3,490,500	222,100	360,100	3,490,500
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	-24,800	875,200	12,100	-24,800	875,200
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	54,700	2,654,700	44,600	54,700	2,654,700
General Administration							
Office of the Inspector General -- Inter-Agency and Intra-Agency Operations	797,500	<u>132,300</u>	140,800	1,070,600	<u>132,300</u>	140,800	1,070,600
Total		\$17,257,300			\$17,357,300		

4. DISPATCHER ASSISTED CARDIOPULMONARY RESUSCITATION

GPR	\$233,400
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Request \$116,700 annually, beginning in 2019-20, to fund dispatcher training on telephonic assistance on administering cardiopulmonary resuscitation (CPR), in accordance with the requirements of 2017 Act 296.

Act 296 requires, by May 1, 2021, every public safety answering point 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; (b) transferring callers to a dedicated telephone line, telephone center, or another public safety answering point to provide the caller with assistance in administering CPR; (c) if the transferring public safety answering point uses an evidence-based protocol for identifying persons in need of CPR, provides appropriate training and continuing education on this protocol; and (d) ensures that the entity to which the call is transferred meets training requirements specified in the act. Act 296 provided \$250,000 GPR 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.

5. WISCONSIN CHRONIC DISEASE PROGRAM

GPR	- \$535,100
PR	- 62,600
Total	- \$597,700

Request a decrease of \$399,300 (-\$346,100 GPR and -\$53,200 PR) in 2019-2020 and a decrease of \$198,400 (-\$189,000 GPR and -\$9,400 PR) in 2020-2021 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). DHS 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 Department's estimates.

2015 Act 201 Plan

	Fund	Amount	
		2019-20	2020-21
Base Level Plan			
1. Reduce spending authority to expected expenditure levels (seven and nine appropriations in 2019-20 and 2020-21, respectively)	PR	-\$15,173,900	-\$17,823,000
2. Reduce expenditures from the general program operations appropriation by returning Milwaukee Enrollment Services (MiLES) to Milwaukee County	GPR	-7,400,000	-7,400,000
3. Reestimate program revenue appropriations	PR	9,413,100	9,513,100
4. Lead Abatement	GPR	172,500	222,900
5. Dispatcher Assisted Cardiopulmonary Resuscitation	GPR	30,000	30,000
6. Food at Care and Treatment Facilities	GPR	271,800	337,400
7. Food at Care and Treatment Facilities	PR	111,700	146,300
8. Nonfood Supplies and Services at Care and Treatment Facilities	GPR	-1,784,600	-412,700
9. Nonfood Supplies and Services at Care and Treatment Facilities	PR	4,101,400	5,001,800
10. Mental Health Institute Funding	GPR	2,176,500	2,176,500
11. Mental Health Institute Funding	PR	-2,176,500	-2,176,500
12. DHS Facility Overtime	GPR	3,878,400	3,878,400
13. DHS Facility Overtime	PR	5,067,400	5,067,400
14. Youth Crisis Stabilization Facility DHS	GPR	996,400	996,400

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
15. Income Maintenance -- Staff Costs	GPR	64,200	105,400
16. FoodShare Employment and Training -- Staff Costs	GPR	287,700	372,700
17. Administrative Transfers	PR	<u>-36,100</u>	<u>-36,100</u>
Total		\$0	\$0
	GPR	(-\$1,307,100)	(\$307,000)
	PR	(\$1,307,100)	(-\$307,000)
5% Budget Reduction Plan			
1. Reduce spending authority to expected expenditure levels (11 and 13 appropriations in 2019-20 and 2020-21, respectively)	PR	-\$46,785,100	-\$49,434,200
2. Reduce expenditures from the general program operations appropriation by returning Milwaukee Enrollment Services (MiLES) to Milwaukee County	GPR	-7,400,000	-7,400,000
3. Program Revenue Funding Adjustments	PR	9,413,100	9,513,100
4. Lead Abatement	GPR	172,500	222,900
5. Dispatcher Assisted Cardiopulmonary Resuscitation	GPR	30,000	30,000
6. Food at Care and Treatment Facilities	GPR	271,800	337,400
	PR	111,700	146,300
7. Nonfood Supplies and Services at Care and Treatment Facilities	GPR	-1,784,600	-412,700
	PR	4,101,400	5,001,800
8. Mental Health Institute Funding Split	GPR	2,176,500	2,176,500
	PR	-2,176,500	-2,176,500
9. Overtime at DHS Facilities	GPR	3,878,400	3,878,400
	PR	5,067,400	5,067,400
11. Youth Crisis Stabilization Facility	GPR	996,400	996,400
12. Income Maintenance -- Staff Costs	GPR	64,200	105,400
13. FoodShare Employment and Training -- Staff Costs	GPR	287,700	372,700
14. Administrative Transfers	PR	<u>-36,100</u>	<u>-36,100</u>
Total		-\$31,611,200	-\$31,611,200
	GPR	(-\$1,307,100)	(\$307,000)
	PR	(-\$30,304,100)	(-\$31,918,200)

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$143,468,200	\$141,847,200	\$140,578,600	-\$4,510,600	- 1.6%	10.00	10.00	10.00	0.00	0.0%
FED	150,000	150,000	150,000	0	0.0	0.00	0.00	0.00	0.00	0.0
PR	<u>1,667,400</u>	<u>1,667,400</u>	<u>1,667,400</u>	<u>0</u>	<u>0.0</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	<u>\$145,285,600</u>	<u>\$143,664,600</u>	<u>\$142,396,000</u>	<u>-\$4,510,600</u>	<u>- 1.6%</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>0.00</u>	<u>0.0%</u>

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$78,800
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Request an adjustment to the base budget of \$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 COVENANT GRANTS

GPR	- \$4,589,400
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Request a reduction of \$1,659,400 in 2019-20 and \$2,930,000 in 2020-21 to reflect the decreasing number of students eligible for the Wisconsin covenant grant program. The 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 (scholars must receive a diploma from a Wisconsin high school, maintain a B average while in high school, and demonstrate good citizenship, submit a Federal student financial aid form by April 1 of their senior year, complete a sufficient course of student to gain admission to an eligible institution, and complete the Wisconsin covenant verification form by April 1 of their senior year). 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.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
HEAB would reduce supplies and services by 5% which would result in some programming not being completed and could delay the transfer of funds to students and institutions.	GPR	-\$48,900	-\$48,900

HISTORICAL SOCIETY

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$20,114,100	\$20,217,800	\$20,183,300	\$172,900	0.4%	97.15	115.65	115.65	18.50	19.0%
FED	1,356,500	1,400,100	1,382,800	69,900	2.6	6.86	8.86	8.86	2.00	29.2
PR	3,382,500	4,474,100	4,511,700	2,220,800	32.8	18.25	27.75	27.75	9.50	52.1
SEG	<u>4,704,900</u>	<u>4,860,500</u>	<u>4,860,500</u>	<u>311,200</u>	3.3	<u>12.78</u>	<u>33.28</u>	<u>33.28</u>	<u>20.50</u>	160.4
TOTAL	\$29,558,000	\$30,952,500	\$30,938,300	\$2,774,800	4.7%	135.04	185.54	185.54	50.50	37.4%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling -\$267,200 GPR, \$43,600 FED, \$1,048,500 PR, and \$155,600 SEG in 2019-20 and -\$196,900 GPR, \$26,300 FED, \$1,072,400 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, \$46,800 FED, \$167,700 PR, and \$155,600 SEG in 2019-20 and \$748,600 GPR, \$29,400 FED, \$167,700 PR, and \$155,600 SEG in 2020-21); (c) overtime (\$7,300 GPR annually); (d) night and weekend differential pay (\$12,300 GPR annually); and (e) lease and directed moves costs (-\$859,000 GPR, -\$3,200 FED, and \$880,800 PR in 2019-20 and -\$788,700 GPR, -\$3,100 FED, and \$904,700 PR in 2020-21).

GPR	-\$464,100
FED	69,900
PR	2,120,900
SEG	<u>311,200</u>
Total	\$2,037,900

2. NATIONAL HISTORY DAY PROGRAM

Request \$127,300 and 2.0 positions in 2019-20 and \$154,700 in 2020-21 for the Society's national history day program. The two positions would be educational specialists (each \$28,000 salary and \$13,150 fringe benefits in 2019-20 and \$37,350 salary and \$17,500 fringe benefits in 2020-21), who would assist Society staff with logistical support for educators, including visiting classrooms, conducting workshops, and providing materials. The remaining \$45,000 annually would fund travel, supplies, and services related to the program.

	Funding	Positions
GPR	\$282,000	2.00

Under the national history day program, pupils in grades 6-12 participate in a year-long program investigating historical documents, organizing an evidence-based argument, and presenting it in public at regional and state competitions. The Society indicates that the program currently serves approximately 17,000 pupils in 200 public, charter, and private school classrooms,

and could be expanded with additional funding.

3. SAFETY AND SECURITY PROGRAM

	Funding	Positions
GPR	\$205,000	1.00

Request \$93,600 and 1.0 position in 2019-20 and \$111,400 GPR in 2020-21 for a safety and security program for the Society's facilities. The position would be used to hire a full-time safety and security manager (\$36,500 salary and \$17,100 fringe benefits in 2019-20 and \$48,600 salary and \$22,800 fringe benefits in 2020-21), who would be responsible for activities including the following: (a) developing and implementing security policies, protocols, and procedures; (b) conducting routine safety and security inspections and assessments and making recommendations for improvements; (c) responding to emergencies or accidents; (d) coordinating security for events and response to emergencies and accidents; (e) creating a safety and health training program for employees; and (f) maintaining emergency action plans and procedures for each Society location. The remaining funding (\$40,000 annually) would be used for safety training, personal protective equipment for employees, automatic external defibrillator and first aid kits, and travel and supply expenses for the safety and security manager.

4. MARITIME PRESERVATION PROGRAM VESSEL

GPR	\$150,000
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Request one-time funding of \$150,000 in 2019-20 to fund replacement of a research vessel used by the state's maritime preservation program. The new vessel would allow Society employees and volunteers to safely research and document submerged artifacts, such as shipwrecks. The Society indicates that the vessel currently in use is 45 years old and has issues with the structural integrity of its hull.

5. CURATOR OF AMERICAN INDIAN COLLECTIONS

	Funding	Positions
PR	\$99,900	1.00

Request \$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 requested amount totals \$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.

6. ADDITIONAL POSITION AUTHORITY

	Positions
GPR	15.50
FED	2.00
PR	8.50
SEG	<u>20.50</u>
Total	46.50

Request 46.5 classified permanent positions (15.5 GPR, 2.0 FED, 8.5 PR, and 20.5 SEG). The Society indicates that these positions would replace 110 LTE appointments currently used to perform permanent work functions that could be performed more efficiently by permanent staff. No additional funding authority would be required.

2015 Act 201 Plans

		<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
		<u>Fund</u>	
Base Level Plan			
1.	Increase funding for general program operations.	GPR	\$370,900
2.	Increase funding for the Society's storage facility.	PR	43,100
3.	Decrease funding in the appropriation for general program operations funded through program revenue.	PR	-64,000
4.	Decrease funding in the appropriation for gifts, grants, and membership sales.	PR	-50,000
5.	Decrease funding in the appropriation for the history preservation partnership trust fund.	SEG	-300,000
Total			\$0
		GPR	(\$370,900)
		PR	(-\$70,900)
		SEG	(-\$300,000)
5% Budget Reduction Plan			
1.	Increase funding for general program operations.	GPR	\$370,900
2.	Increase funding for the Society's storage facility.	PR	43,100
3.	Decrease funding in the appropriation for general program operations funded through program revenue.	PR	-345,000
4.	Decrease funding in the appropriation for gifts, grants, and membership sales.	PR	-225,000
5.	Decrease funding in the appropriation for the history preservation partnership trust fund.	SEG	-885,800
6.	Decrease funding in the appropriation for the Society's endowment.	SEG	-130,000
Total			-\$1,171,800
		GPR	(\$370,900)
		PR	(-\$526,900)
		SEG	(-\$1,015,800)

INSURANCE

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
FED	\$614,400	\$0	\$0	-\$1,228,800	- 100.0%	5.10	0.00	0.00	- 5.10	- 100.0%
PR	19,646,600	19,858,600	19,891,100	456,500	1.2	124.15	125.32	125.32	1.17	0.9
SEG	<u>91,775,900</u>	<u>61,212,900</u>	<u>61,213,800</u>	<u>- 61,125,100</u>	<u>- 33.3</u>	<u>11.75</u>	<u>10.68</u>	<u>10.68</u>	<u>- 1.07</u>	<u>- 9.1</u>
TOTAL	\$112,036,900	\$81,071,500	\$81,104,900	- \$61,897,400	- 27.6%	141.00	136.00	136.00	- 5.00	- 3.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request \$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.

FED	-\$146,200
PR	168,700
SEG	<u>56,600</u>
Total	<u>\$79,100</u>

2. PHASE OUT LOCAL GOVERNMENT PROPERTY INSURANCE FUND

Request reductions of \$30,590,800 in 2019-20 and \$30,590,900 in 2020-21 and the elimination of 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, OCI requests a reduction in the appropriation for paying claims by \$29,160,200 annually, leaving \$500,000 annually in remaining expenditure authority for any remaining claims. Second, the request 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 the impact of standard budget adjustments, would eliminate all funding for the administration of the program.

	Funding	Positions
SEG	-\$61,181,700	- 1.07

3. WISCONSIN HEALTHCARE STABILITY PLAN

	Funding	Positions
PR	\$255,900	1.07

Request \$127,900 in 2019-20 and \$128,000 in 2020-21, and 1.07 positions, beginning in 2019-20, to administer the Wisconsin HealthCare Stability Plan (WHSP), which was authorized under 2017 Wisconsin Act 138 and implemented under the terms of a waiver agreement, pursuant to s. 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. The positions would also be assigned several other responsibilities, including assistance with projects conducted by the Division of Program Management.

Act 138 authorized OCI to expend up to \$200 million (all funds) in each year, beginning 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 advance 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 (\$200 million). Although not included in the agency's budget request, OCI currently estimates that WHSP will be supported with \$166 million in federal funds and \$34 million GPR annually. Based on the timeline included in OCI's federal waiver application, the reinsurance payments for the 2019 plan year would first occur in 2020-21.

4. RATE REVIEWS -- DELETE EXPIRED FEDERAL FUNDING AND POSITION AUTHORITY

	Funding	Positions
FED	-\$1,082,600	- 5.61

Request a reduction of \$541,300 annually and the deletion of 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 now 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.

2015 Act 201 Plan

	Fund	Amount	
		2019-20	2020-21
5% Budget Reduction Plan			
1. Eliminate Property Insurance Fund Administration	SEG	-\$1,430,600	-\$1,430,600

INVESTMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
PR	\$62,444,700	\$62,444,700	\$62,444,700	\$0	0.0%	203.00	203.00	203.00	0.00	0.0%

Major Request Items

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 with 188.0 authorized positions. In June, 2018, the Board approved an operating budget for 2018-19 of \$62,444,700 and 203.0 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.

2015 Act 201 Plan

		<u>Amount</u>	
5% Budget Reduction Plan	<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
Reduce general program operations appropriation expenditure authority associated with 12.0 positions annually, including 5.5 investment positions, and transfer \$5.5 billion in assets to external management by asset management firms. A net cost increase of \$2.6 million for total cost of management is estimated associated with this modification.	PR	-\$3,122,200	-\$3,122,200

JUDICIAL COMMISSION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$310,000	\$316,000	\$316,000	\$12,000	1.9%	2.00	2.00	2.00	0.00	0.0%

JUDICIAL COUNCIL

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$0	\$98,300	\$111,400	\$209,700	N.A.	0.00	1.00	1.00	1.00	N.A.

Major Request Item

1. JUDICIAL COUNCIL ATTORNEY AND FUNDING

	Funding	Positions
GPR	\$209,700	1.00

Request \$98,300 in 2019-20 and \$111,400 in 2020-21 and 1.0 position annually for the following adjustments to the base: (a) \$9,000 in 2019-20 for one-time financing for costs associated with the recruitment of an attorney and the establishment of an office for the attorney; and (b) \$89,300 in 2019-20 and \$111,400 in 2020-21 for 1.0 unclassified attorney position and supplies and services. Under a veto in 2017 Act 55, the Governor eliminated annual funding of \$111,400 PR and the 1.0 PR staff position for the Judicial Council. The Council and the position are supported by revenues transferred from GPR and/or PR appropriations in the Supreme Court's Director of State Courts Office.

JUSTICE

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$59,585,200	\$64,549,100	\$65,415,200	\$10,793,900	9.1%	401.18	423.18	426.18	25.00	6.2%
FED	23,288,500	24,279,800	23,613,500	1,316,300	2.8	58.73	47.73	42.73	- 16.00	- 27.2
PR	55,056,400	56,024,400	54,578,400	490,000	0.4	259.48	250.49	250.49	- 8.99	- 3.5
SEG	<u>361,900</u>	<u>433,600</u>	<u>434,100</u>	<u>143,900</u>	19.9	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>	0.0
TOTAL	\$138,292,000	\$145,286,900	\$144,041,200	\$12,744,100	4.6%	722.14	724.15	722.15	0.01	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$2,520,300 GPR, \$532,000 PR, \$1,043,300 FED, \$71,700 SEG, -9.0 PR positions, and -11.0 FED positions in 2019-20; and \$2,615,000 GPR, \$242,000 PR, \$377,000 FED, \$72,200 SEG, -9.0 PR positions, and

	Funding	Positions
GPR	\$5,135,300	0.00
PR	774,000	- 9.00
FED	1,420,300	- 16.00
SEG	<u>143,900</u>	<u>0.00</u>
Total	\$7,473,500	- 25.00

-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 (-\$73,600 PR, -\$230,800 FED, -9.0 PR positions, and -11.0 FED positions in 2019-20; and -\$441,900 PR, -\$903,400 FED, -9.0 PR positions, and -16.0 FED positions in 2020-21); (c) full funding of continuing position salaries and fringe benefits (\$2,763,200 GPR, \$229,300 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

Request to 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.

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram</u>	<u>Positions</u>	<u>Funding</u>
GPR			
<i>Law enforcement services</i>			
General program operations	Legal services	0.45	\$23,100
	Crime laboratories*	-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*	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
<i>Administrative services</i>			
General program operations	Legal services	4.05	\$389,300
	Administrative services	-3.35	-606,900
	Computing services	<u>-0.70</u>	<u>217,600</u>
	Total GPR	0.00	\$0
PR			
<i>Law enforcement services</i>			
Crime laboratories; DNA analysis	Crime laboratories	-11.00	-\$810,100
	Crime information bureau	-2.00	-158,500
	Computing services	-2.00	-158,500
	DNA analysis resources	15.00	1,127,100
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
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

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram</u>	<u>Positions</u>	<u>Funding</u>
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	<u>-0.38</u>	<u>-35,800</u>
	Total PR	0.00	\$0
FED			
<i>Law enforcement services</i>			
Federal aid, state operations	Legal services**	1.00	\$149,200
	Crime laboratories**	-2.20	-127,400
	Training and standards bureau**	5.53	490,300
	Criminal investigation**	5.00	404,800
	Computing services	-0.68	-53,600
	Narcotics enforcement	0.50	62,300
	DNA analysis resources**	6.00	314,500
	Office of victim services**	1.00	49,300
	Criminal justice programs**	-16.15	-1,289,400
<i>Administrative services</i>			
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
Federal aid; state operations relating to crime victim services	Training and standards bureau	1.00	\$167,100
	Office of victim services	<u>-1.00</u>	<u>-167,100</u>
	Total FED	0.00	\$0

*Contains the transfer of an appointed position.

**Contains the transfer of one or more project positions.

3. CRIMINAL INVESTIGATION COST-TO-CONTINUE

GPR	\$2,288,800
PR	<u>1,500,000</u>
Total	\$3,788,800

Request \$1,144,400 GPR and \$750,000 PR annually to continue one-time funding provided for the Division of Criminal Investigation in the 2017-19 biennium in order to support current law enforcement operations.

4. INFORMATION TECHNOLOGY POSITIONS

	Funding	Positions
GPR	\$1,702,800	11.00
PR	<u>- 1,878,000</u>	<u>0.00</u>
Total	- \$175,200	11.00

Request \$563,400 GPR, -\$361,000 PR, and 8.0 GPR positions in 2019-20 and \$1,139,400 GPR, -\$1,517,000 PR, and 11.0 GPR positions in 2020-21 to reflect the conversion of information technology contractor positions to permanent state positions.

5. CRIME LABORATORY AND DIGITAL FORENSIC EXAMINERS AND ANALYSTS

	Funding	Positions
GPR	\$1,667,000	14.00

Request \$735,800 in 2019-20 and \$931,200 in 2020-21 and 14.0 additional positions for operations at the state crime laboratories and to increase digital forensic services provided to local law enforcement.

6. CRIME LABORATORY PAY PROGRESSION AND ORGANIZATION

Request statutory changes to establish a progressive pay structure and adjust current pay rates for science and technical staff of the state crime laboratories. The Department indicates that any resulting costs of pay adjustments would be absorbed within the base budget. In addition, establish the State Crime Laboratories as a separate division within DOJ led by the Crime Laboratory Director.

7. PROGRAM REVENUE REESTIMATES

PR	- \$11,600
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Request -\$5,800 PR 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.

2015 Act 201 Plan*

	<u>Amount</u>	
	<u>2019-20</u>	<u>2020-21</u>
Base Level Plan**		
1. Position Reductions: The Department would eliminate 24 positions, comprised of 6.0 positions from the Division of Legal Services, 6.0 positions from the state crime laboratories, 5.0 positions from the Division of Criminal Investigation, and the remaining 7.0 positions from the Crime Information Bureau, Training and Standards Bureau, and Office of Crime Victim Services.	-\$2,450,600	-\$2,171,900
2. Reductions in travel, training, facilities, and telecommunications.	-405,800	-359,600
3. Reduce information technology and other supplies and services.	<u>-525,200</u>	<u>-465,500</u>
Total	-\$3,381,600	-\$2,997,000
5% Budget Reduction Plan**		
1. Position Reductions: The Department would eliminate 55 positions, comprised of 15 from the state crime labs, 14 from the Division of Legal Services, 12 from the Division of Criminal Investigation, the remaining 14 positions from the Crime Information Bureau, Training and Standards Bureau, and Office of Crime Victim Services.	-\$5,567,100	-\$5,288,300
2. Reductions in travel, training, facilities, and telecommunications.	-921,900	-875,700
3. Reduce Facilities, Information technology, and other supplies and services.	<u>-1,193,200</u>	<u>-1,133,500</u>
Total	-\$7,682,200	-\$7,297,500

*The Department did not identify the fund sources associated with the modifications in funding and position authority.

**The Department assumed that the amount to be reduced would be taken after agency request items were implemented.

KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
PR	\$237,800	\$277,200	\$291,300	\$92,900	19.5%	1.25	2.25	2.25	1.00	80.0%
SEG	<u>739,400</u>	<u>732,700</u>	<u>732,700</u>	<u>- 13,400</u>	- 0.9	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>	0.0
TOTAL	\$977,200	\$1,009,900	\$1,024,000	\$79,500	4.1%	4.00	5.00	5.00	1.00	25.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

PR	-\$13,200
SEG	<u>- 13,400</u>
Total	-\$26,600

Request 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 (\$800 PR and \$2,700 SEG annually).

2. FORESTER POSITION

	Funding	Positions
PR	\$106,100	1.00

Request \$46,000 in 2019-20 and \$60,100 in 2020-21 with 1.0 forester position. 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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Reduce program advertising.	PR	-\$8,400	-\$8,400
2. Delay replacement of officer equipment and radio upgrades.	PR	-3,500	-3,500
3. Delay contracts for building maintenance.	SEG	<u>-23,000</u>	<u>-23,000</u>
Total		-\$34,900	-\$34,900
	PR	(-\$11,900)	(-\$11,900)
	SEG	(-\$23,000)	(-\$23,000)

LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$248,300	\$167,000	\$167,500	-\$162,100	- 32.6%	0.80	0.80	0.80	0.00	0.0%
PR	2,139,900	1,892,000	1,894,900	- 492,900	- 11.5	13.70	13.70	13.70	0.00	0.0
SEG	<u>785,400</u>	<u>615,400</u>	<u>616,300</u>	<u>- 339,100</u>	<u>- 21.6</u>	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	\$3,173,600	\$2,674,400	\$2,678,700	-\$994,100	- 15.7%	18.70	18.70	18.70	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments of -\$499,200 in 2019-20 and -\$494,900 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).

GPR	-\$162,100
PR	- 492,900
SEG	<u>- 339,100</u>
Total	<u>-\$994,100</u>

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Reduce supplies and services and eliminate 0.40 FTE for worker's compensation cases.	SEG	-\$51,700	-\$51,700

LEGISLATURE

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$77,422,600	\$76,994,300	\$77,003,100	-\$847,800	-0.5%	758.17	758.17	758.17	0.00	0.0%
PR	<u>2,263,200</u>	<u>2,471,700</u>	<u>2,341,800</u>	<u>287,100</u>	6.3	<u>19.80</u>	<u>19.80</u>	<u>19.80</u>	<u>0.00</u>	0.0
TOTAL	\$79,685,800	\$79,466,000	\$79,344,900	-\$560,700	-0.4%	777.97	777.97	777.97	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$889,900
PR	<u>56,100</u>
Total	-\$833,800

Request adjustments to the base totaling -\$453,600 GPR and \$25,500 PR in 2019-20 and -\$436,300 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 (\$410,100 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 (\$19,100 GPR and \$5,800 PR in 2019-20 and \$19,100 GPR and \$8,100 in 2020-21); and (e) minor transfers within the same alpha appropriation.

LIEUTENANT GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	<u>Request</u>		2019-21 Change Over Base Year Doubled		2018-19	<u>Request</u>		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$394,400	\$423,900	\$423,900	\$59,000	7.5%	5.00	5.00	5.00	0.00	0.0%

2015 Act 201 Plan

5% Budget Reduction Plan Reduce supplies and services.	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
	GPR	-\$19,700	-\$19,700

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	<u>Request</u>		2019-21 Change Over Base Year Doubled		2018-19	<u>Request</u>		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
SEG	\$229,700	\$247,300	\$247,300	\$35,200	7.7%	2.00	2.00	2.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

SEG	\$35,200
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Request \$17,600 annually from the conservation fund (75% water resources and 25% forestry account) for full funding of continuing salaries and fringe benefits.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Reduce expenditures on travel, board meetings, conferences, training, and office supplies.	SEG	-\$11,500	-\$11,500

MEDICAL COLLEGE OF WISCONSIN

Budget Summary					FTE Position Summary	
	2018-19	<u>Request</u>		2019-21 Change Over		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.
Fund	Adjusted Base	2019-20	2020-21	Base Year Doubled	Amount	
				%		
GPR	\$9,986,600	\$9,986,600	\$9,986,600	\$0	0.0%	
PR	<u>247,500</u>	<u>247,500</u>	<u>247,500</u>	<u>0</u>	0.0	
TOTAL	\$10,234,100	\$10,234,100	\$10,234,100	\$0	0.0%	

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Reduce grants awarded for cancer research. These grants are funded with revenues generated by a checkoff on the state income tax form.	PR	-\$12,400	-\$12,400

MILITARY AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2018-19	Request		2019-21 Change Over		2018-19	Request		2020-21	
	Adjusted Base	2019-20	2020-21	Base Year Doubled	Amount		%	2019-20	2020-21	Over 2018-19
GPR	\$27,949,900	\$28,819,000	\$28,829,800	\$1,749,000	3.1%	81.83	85.08	85.08	3.25	4.0%
FED	73,732,000	76,689,100	76,693,400	5,918,500	4.0	394.35	391.90	390.90	- 3.45	- 0.9
PR	8,736,600	8,583,900	8,584,900	- 304,400	- 1.7	45.12	45.12	45.12	0.00	0.0
SEG	<u>8,100,300</u>	<u>8,061,400</u>	<u>8,061,400</u>	<u>- 77,800</u>	- 0.5	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	0.0
TOTAL	\$118,518,800	\$122,153,400	\$122,169,500	\$7,285,300	3.1%	523.30	524.10	523.10	- 0.20	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$185,000 GPR, -\$152,700 PR, \$2,483,200 FED, and -\$38,900 SEG in 2019-20 and \$185,400 GPR, -\$151,700 PR, \$2,486,700 FED, 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, \$2,538,100 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); and (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).

	Funding	Positions
GPR	\$370,400	0.00
PR	- 304,400	0.00
FED	4,969,900	- 4.00
SEG	<u>- 77,800</u>	<u>0.00</u>
Total	\$4,958,100	- 4.00

2. CONTRACT AND SUPPLIES FUNDING REESTIMATE

Request \$240,000 GPR and \$450,000 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. Requested funding is annually allocated as follows: (a) Truax, \$30,000 GPR and \$120,000 FED; (b) Volk Field, \$10,000 GPR and \$30,000 FED; and (c) Army facilities, \$200,000 GPR and \$300,000 FED. Base funding for repair and maintenance appropriations is \$839,900 GPR and \$1,482,500 FED.

GPR	\$480,000
FED	<u>900,000</u>
Total	\$1,380,000

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.

3. INFORMATION TECHNOLOGY FUNDING

GPR	\$500,000
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Request \$250,000 annually to increase base funding for information technology (IT) hardware and software replacement. Base GPR funding allocated for supplies and services within the National Guard's operations appropriation is \$487,500 annually.

The Department of Military Affairs (DMA) 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.

4. JOINT OPERATIONS CENTER STAFFING

	Funding	Positions
GPR	\$247,500	2.00

Request \$120,400 in 2019-20 and \$127,100 in 2020-21, as well as 2.0 positions annually, to support permanent positions for the Joint Operations Center (JOC).

The Joint Operations Center is a Wisconsin National Guard facility that receives and responds to classified messages, executes command and control operations, and provides situational awareness of National Guard activities and operations. The Joint Operations Center provides continuous monitoring of the National Warning System, a Federal Emergency Management Agency and Department of Homeland Security notification system. The National Warning System's mission is to provide warning of terrorist actions, natural and technological disasters, and of an imminent enemy attack or an actual accidental missile launch upon the United States. Additionally, the JOC handles calls made to the state's Emergency Management Hotline from 10:00 pm to 7:00 am daily, establishing responses for air support and fire suppression.

State operations within the Joint Operations Center are supported by GPR through the National Guard's general program operations appropriation. Base funding for the JOC is \$165,400 GPR annually. Current staffing consists of 3.0 GPR positions and 6.0 federal personnel.

5. EMERGENCY COMMUNICATIONS PROGRAM AND APPROPRIATIONS CREATION

Request the creation of a separate budgetary program and appropriations for Emergency

Communications. Request the transfer of \$524,400 GPR, \$1,262,400 PR, and \$6,880,500 SEG in 2019-20 and \$527,800 GPR, \$1,262,400 PR, and \$6,880,500 SEG in 2020-21, as well as 1.0 GPR, 4.0 PR, and 2.0 SEG positions annually from DMA's Emergency Management Services program to the newly created Emergency Communications program.

Under 2017 Act 59, the Office of Emergency Communications (OEC) was transferred to DMA's Emergency Management Services Program, administered by the Division of Emergency Management (WEM). The proposed statutory change would move all funding and positions associated with Emergency Communications from Emergency Management Services to a newly created Emergency Communications appropriation. Specific PR appropriations would include Interagency and Intra-agency Assistance (interoperability portion only), Interoperable Communications System, Public Safety Interoperable Communication System, State Fees, Public Safety Interoperable Communication System, General Usage Fees, Interoperability Council, and Next Generation 9-1-1. In addition, a new GPR general program operations appropriation would be created. The request is intended to clarify the distinction between emergency management services and emergency communications.

6. CONVERT APPROPRIATIONS USED FOR EMERGENCY MANAGEMENT ASSISTANCE COMPACT RESPONSE

Request the conversion of the program revenue funded intergovernmental services and the interstate emergency assistance appropriations utilized for Emergency Management Assistance Compact responses from annual appropriations to continuing appropriations. 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 requested, 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.

7. EMERGENCY OPERATIONS AUGMENTATION AND TRAINING

Request statutory language and an appropriation to provide backup personnel during the activation of the state emergency operations center (SEOC) in excess of 72 hours and provide training for backup personnel. Funding would be supported by a sum sufficient GPR appropriation. The request does not estimate how much funding would be appropriated to the new appropriation.

The state emergency operations center facilitates the coordination of various state and local agencies and volunteer organizations when an emergency occurs. A WEM duty officer and senior duty officer are on call 24 hours per day for the SEOC to receive information related to emergency situations. Depending on the gravity of an emergency, the SEOC may be activated, at which time various WEM staff and representatives from pertinent agencies coordinate a response in the SEOC.

Under current practice, WEM costs related to activations of the SEOC are supported by DMA's emergency management services general program operations appropriation. Base funding

for this appropriation is \$1,542,100 GPR. When activated, the SEOC is primarily staffed with WEM employees who are reallocated to work in the SEOC instead of in their assigned program area. Since 2011, the SEOC has been activated for more than 72 hours a total of four times, at a cost of approximately \$12,500 to WEM per activation.

2015 Act 201 Plan

		<u>Amount</u>		
		<u>2019-20</u>	<u>2020-21</u>	
Base Level Plan				
1.	Increase expenditure authority for general program operations.	GPR	\$180,100	\$200,100
2.	Increase expenditure authority for repair and maintenance (Army National Guard).	GPR	200,000	200,000
3.	Increase expenditure authority for repair and maintenance (Air National Guard).	GPR	40,000	40,000
4.	Increase expenditure authority for general program operations for emergency management.	GPR	60,400	63,800
5.	Reduce utility funds for Army National Guard facilities.	GPR	-240,000	-340,000
6.	Reduce utility funds for Army National Guard facilities.	PR	-80,000	-100,000
7.	Reduce expenditure authority for military property.	PR	-100,000	0
8.	Eliminate the Governor's Conference on Homeland Security and Emergency Management.	PR	-60,400	-63,800
9.	Reduce expenditure authority for the Challenge Academy program.	PR	<u>-100</u>	<u>-100</u>
	Total		\$0	\$0
		GPR	(\$240,500)	(\$163,900)
		PR	(-\$240,500)	(-\$163,900)
5% Budget Reduction Plan				
1.	Increase expenditure authority for general program operations.	GPR	112,900	190,100
2.	Reduce expenditure authority for repair and maintenance (Army National Guard).	GPR	0	-30,600
3.	Increase expenditure authority for repair and maintenance (Air National Guard).		40,000	40,000
4.	Reduce utility funds for Army National Guard facilities.	GPR	-400,000	-450,000
5.	Reduce utility funds for Army National Guard facilities.	PR	-200,000	-200,000
6.	Eliminate the 1033 program, which provides military surplus equipment to local law enforcement. Reduce emergency preparedness and response funds.	GPR	-300,000	-296,600
7.	Eliminate the 1033 program, which provides military surplus equipment to local law enforcement. Reduce emergency preparedness and response funds.	PR	-36,800	-36,800

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
8. Reduce emergency preparedness and response funds that are utilized for federal and state mandated programs such as Emergency Planning and Community Right-to-Know (EPCRA), and Radiological Emergency Preparedness (REP).	PR	-\$200,000	-\$200,000
9. Reduce emergency preparedness and response funds that are utilized for federal and state mandated programs such as Emergency Planning and Community Right-to-Know (EPCRA), and Radiological Emergency Preparedness (REP).	PR	-200,000	-200,000
10. Eliminate the Governor's Conference on Homeland Security and Emergency Management. Reduce emergency preparedness and response funds.	PR	-100,000	-100,000
11. Reduce the number of cadets served by the Challenge Academy.	PR	<u>-25,100</u>	<u>-25,100</u>
Total		-\$1,309,000	-\$1,309,000
	GPR	(-\$587,100)	(-\$587,100)
	PR	(-\$761,900)	(-\$761,900)

MISCELLANEOUS APPROPRIATIONS

Budget Summary					FTE Position Summary	
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		
		2019-20	2020-21	Amount	%	
GPR	\$120,891,600	\$127,355,700	\$130,600,200	\$16,172,700	6.7%	There are no authorized positions for Miscellaneous Appropriations.
PR	21,000,000	21,000,000	21,000,000	0	0.0	
SEG	30,711,800	30,711,800	30,711,800	0	0.0	
TOTAL	\$172,603,400	\$179,067,500	\$182,312,000	\$16,172,700	4.7%	

Major Request Items

1. ILLINOIS-WISCONSIN INCOME TAX RECIPROCITY

GPR	\$13,838,000
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Request increases of \$5,078,000 in 2019-20 and \$8,760,000 in 2020-21 to reflect anticipated payments to Illinois in the 2019-21 biennium under the Illinois-Wisconsin individual income tax reciprocity agreement. Total funding would be \$98,065,000 in 2019-20 and \$101,747,000 in 2020-21.

2. OIL PIPELINE TERMINAL TAX

GPR	\$1,834,700
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Request increases of \$886,100 in 2019-20 and \$948,600 in 2020-21 to the sum sufficient appropriation for the oil terminal tax distribution. With these adjustments, estimated base level funding of \$5,500,000 would increase to \$6,386,100 in 2019-20 and \$6,448,600 in 2020-21.

3. INTEREST ON OVERPAYMENT OF TAXES

GPR	\$500,000
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Request an increase of \$500,000 in 2019-20 in the sum sufficient appropriation for interest on tax overpayments. With this adjustment, estimated base level funding of \$1,000,000 would increase to \$1,500,000 in 2019-20 and then, decrease to \$1,000,000 in 2020-21.

4. TRANSFERS TO THE CONSERVATION FUND

Agencies did not reestimate transfers from the transportation fund to the conservation fund for the recreational vehicle fuel tax formulas for motorboats, snowmobiles, all-terrain vehicles, and utility terrain vehicles. The Department of Administration will include any reestimate as part of the Governor's budget recommendations.

NATURAL RESOURCES

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$109,485,400	\$110,017,700	\$110,049,400	\$1,096,300	0.5%	223.52	223.52	223.52	0.00	0.0%
FED	83,673,900	86,342,100	86,382,400	5,376,700	3.2	481.84	482.84	482.84	1.00	0.2
PR	32,311,900	33,412,100	33,412,100	2,200,400	3.4	243.89	244.89	244.89	1.00	0.4
SEG	<u>325,447,500</u>	<u>330,266,500</u>	<u>330,384,700</u>	<u>9,756,200</u>	1.5	<u>1,566.35</u>	<u>1,568.35</u>	<u>1,568.35</u>	<u>2.00</u>	0.1
TOTAL	\$550,918,700	\$560,038,400	\$560,228,600	\$18,429,600	1.7%	2,515.60	2,519.60	2,519.60	4.00	0.2%
BR		\$336,500,000								

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling \$9,119,700 in 2019-20 and \$9,309,900 in 2020-21. Adjustments are: (a) -\$3,388,200 annually for turnover reduction (-\$384,700 GPR, -\$529,600 FED, -\$114,700 PR, and -\$2,359,200 SEG); (b) -\$72,700 FED annually for removal of noncontinuing elements from the agency base; (c) \$9,320,700 (\$887,000 GPR, \$3,244,300 FED, \$1,196,900 PR, and \$3,992,500 SEG) annually for full funding of continuing salaries and fringe benefits; (d) \$112,600 (\$1,800 GPR, \$11,400 FED, \$10,000 PR, and \$89,400 SEG) annually for reclassifications and semiautomatic pay progression; (e) \$3,178,700 (\$8,000 PR and \$3,170,700 SEG) annually for overtime; 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 lease costs and directed moves.

GPR	\$1,096,300
FED	5,376,700
PR	2,200,400
SEG	<u>9,756,200</u>
Total	\$18,429,600

2. REAUTHORIZE STEWARDSHIP PROGRAM

Request a reauthorization of the Warren Knowles-Gaylord Nelson Stewardship Program at current funding levels through 2030. Current law provides the Department of Natural Resources (DNR) with annual bonding authority of \$33.25 million through the end of fiscal year 2019-20. 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

BR	\$332,500,000
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for developing all-terrain and utility terrain vehicle trails and facilities. The following table shows annual stewardship allocations under current law and as requested.

Annual Stewardship Allocations, by Subprogram

	<u>Current Law and Request</u>
<i>Land Acquisition Subprogram</i>	
DNR Acquisition	\$9,000,000
Grants to NCOs	7,000,000
County Forest Grants	<u>5,000,000</u>
Subtotal	\$21,000,000
 <i>Property Development and Local Assistance Subprogram</i>	
DNR Property Development	\$3,250,000
Local Assistance Grants	6,000,000
Motorized Stewardship	<u>500,000</u>
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 20-year terms. Principal and interest on the bonds (debt service) is paid under current law by GPR and a sum-certain annual appropriation from the forestry account of the segregated conservation fund.

The stewardship program was last reauthorized in 2007 Act 20, but has been occasionally amended by budget acts and other legislation since that time. The request does not identify any suggested changes to any current provisions.

3. ADAPTIVE MANAGEMENT AND WATER QUALITY TRADING GRANTS	BR	\$4,000,000
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Request an increase in GPR-supported general obligation bonding authority of \$4 million to provide grants to permitted wastewater treatment facilities and partnering farmers to reduce nonpoint source water pollution. The Department reports grants would support payments to reduce phosphorus through: (a) water quality trading; (b) adaptive management agreements; and (c) participation in the state's multi-discharger variance (MDV). Additionally, request the transfer of \$32,000 from the Bureau of Water Quality to the Bureau of Community Financial Assistance for administration of the grants.

Under current law, wastewater treatment facilities may enter into water quality trading agreements or adaptive management agreements with others within their area of discharge, typically farmers, to reduce total watershed phosphorus deposits sufficient to meet state water quality standards. Each mechanism is intended to allow facilities to provide funding for implementation of conservation practices that reduce phosphorus discharges an equal amount as

would facilities upgrades at the treatment plant, but at a lower overall cost. These agreements represent a case-by-case approach to cooperation between treatment facilities and landowners, and payments may vary in cost and scale. The state's MDV allows treatment facilities to meet less stringent incremental interim effluent limits while making payments to county conservation departments of \$50 per pound of phosphorus by which the point source exceeded its required phosphorus limits in the previous year, with adjustments for inflation. Under the MDV, payments are uniform and based on exceedance of effluent limits, and are to be directed towards phosphorus reduction in the watershed.

4. WATER QUALITY STAFF

Request the creation of 4.0 positions (1.0 FED, 1.0 PR, and 2.0 water resources account SEG) to facilitate implementation of water quality initiatives such as total maximum daily load plans (TMDLs), adaptive management plans and the multi-discharger variance (MDV), and lake and river management plans. DNR reports these staff would focus on activities in the Milwaukee, Rock, St. Croix, and Wisconsin River watersheds. DNR intends to reallocate existing funding for limited-term employees and supplies and services costs to cover the cost of salaries and fringe benefits for the proposed positions.

	Positions
FED	1.00
PR	1.00
SEG	<u>2.00</u>
Total	4.00

5. FISH AND WILDLIFE LICENSE PURCHASE OPTIONS

Request statutory language to allow DNR to automatically renew annual hunting, fishing and trapping licenses if the license holder elects to enroll in such renewals. Further, request statutory language authorizing DNR to sell additional combination licenses for hunting, fishing and trapping activities.

DNR and other entities have identified certain declines in participation by hunters, anglers, and trappers as long-term concerns for state funding for fish and wildlife management. A December, 2016, DNR report required under 2015 Act 55 identified the two requested measures as possible statutory changes that could sustain or increase annual license purchases by prospective hunters, anglers and trappers. Automatic license renewal was one option intended to limit the number of persons whose licenses lapse each year. Combination licenses, which would allow purchasers to buy multiple annual licenses at a discount to the standard price for individual licenses, also were identified as a means of increasing sales to prospective license buyers. Under current law, the primary combination licenses DNR sells are conservation patron licenses, which confer numerous hunting, trapping and fishing privileges on a holder, and sports licenses, which confer fishing, small-game hunting, and deer hunting privileges on a holder.

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
	<u>Fund</u>		
5% Budget Reduction Plan			
1. Reduce various Division of Fish, Wildlife and Parks operations and eliminate 27.0 SEG positions as follows: (a) 15.0 for parks; (b) 5.0 for property management; (c) 4.0 for southern forests; and (d) 3.0 for fisheries management. Delete \$500,000 GPR for walleye production contracts. Reestimate fish and wildlife account SEG expenditures in dedicated stamp-funded accounts each year as follows: (a) -\$55,500 for wild turkey restoration; (b) -\$10,000 for pheasant stocking and propagation; and (c) -\$100,000 for inland trout surveys and habitat management. Reestimate PR expenditures by -\$15,500 each year.	GPR SEG PR	-\$549,000 -3,785,800 -15,500	-\$549,000 -3,785,800 -15,500
2. Reduce Division of Forestry operations and eliminate 29.0 positions.	SEG	-3,369,000	-3,369,000
3. Reduce various Division of Environmental Management operations, and eliminate 13.2 positions as follows: (a) air management [5.75 PR]; (b) environmental repair and petroleum spill remediation [1.95 petroleum inspection SEG]; (c) recycling program administration [1.50 environmental management account SEG]; (d) ballast water regulation [1.50 PR]; (e) nonpoint source water pollution operations [1.50 nonpoint account SEG]; and (f) environmental management administration [1.0 GPR]. Reduce the appropriation for state-funded responses to spills and discharges of hazardous substances by \$372,100 environmental management SEG each year.	GPR SEG PR	-125,800 -1,404,700 -1,077,900	-125,800 -1,404,700 -1,077,900
4. Reduce Division of External Services operations and eliminate 9.0 SEG positions. Reestimate PR expenditures by -\$535,000 each year.	SEG PR	-819,800 -535,000	-819,800 -535,000
5. Reduce Division of Internal Services operations and eliminate 4.30 SEG positions. Reestimate PR expenditures by -\$800,000 each year.	SEG PR	-836,600 -800,000	-836,600 -800,000
6. Reduce administrative operations and eliminate 3.0 positions.	SEG	<u>-333,200</u>	<u>-333,200</u>
Total		-\$13,652,300	-\$13,652,300
	GPR	(-\$674,800)	(-\$674,800)
	PR	(-\$2,428,400)	(-\$2,428,400)
	SEG	(-\$10,549,100)	(-\$10,549,100)

PROGRAM SUPPLEMENTS

Budget Summary					FTE Position Summary	
	2018-19 Adjusted Base	<u>Request</u>		2019-21 Change Over <u>Base Year Doubled</u>		There are no authorized positions for Program Supplements.
Fund		2019-20	2020-21	Amount	%	
GPR	\$10,841,000	\$10,841,000	\$10,841,000	\$0	0.0%	

PUBLIC DEFENDER

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$87,241,300	\$111,328,000	\$112,039,500	\$48,884,900	28.0%	609.85	609.85	609.85	0.00	0.0%
PR	<u>1,390,200</u>	<u>1,437,900</u>	<u>1,439,100</u>	<u>96,600</u>	3.5	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$88,631,500	\$112,765,900	\$113,478,600	\$48,981,500	27.6%	614.85	614.85	614.85	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$1,611,100
PR	<u>96,600</u>
Total	\$1,707,700

Request adjustments to the base totaling \$755,300 GPR and \$47,700 PR in 2019-20 and \$855,800 GPR and \$48,900 PR in 2020-21.

Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (\$204,300 GPR and \$41,300 PR annually); (b) overtime (\$219,300 GPR and \$2,900 PR annually); and (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).

2. STANDARD BUDGET ADJUSTMENT - FULL FUNDING OF PAY PROGRESSION

GPR	\$2,521,200
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Request \$1,260,600 annually to fund the salary for attorney pay progression from 2018-19, which is not fully included in the base budget.

3. PAY PROGRESSION

GPR	\$5,303,700
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Request \$1,767,900 in 2019-20 and \$3,535,800 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 as of January 6, 2019) and the highest annual salary (\$126,339 as of January 6, 2019). 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 requested is approximately equal to one step.

4. PRIVATE BAR ATTORNEY COMPENSATION

GPR	\$33,225,400
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Request \$16,612,700 annually 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. Under current law, private bar attorneys are compensated at a rate of \$40 per hour for time spent related to a case, regardless of the case type. The increase in hourly compensation would apply to cases assigned on or after July 1, 2019.

5. PRIVATE BAR COSTS

GPR	\$6,072,400
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Request \$3,036,200 annually as an estimate of funding to pay private bar attorney costs. 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.

6. TUITION REIMBURSEMENT ASSISTANCE

GPR	\$500,000
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Request \$250,000 annually to conduct a pilot tuition reimbursement program for private bar attorneys who accept public defender appointments and who meet certain additional criteria. Under the SPD's request, some suggested criteria for private bar attorneys to qualify and meet terms for tuition reimbursement would be: (a) licensed to practice in Wisconsin and certified for SPD appointments; (b) maintain a law practice with headquarters or majority of legal work performed in a county of fewer than 25,000 residents; and (c) an annual caseload threshold of 50 SPD assigned cases. The State Public Defender's request would provide up to \$20,000 per year.

**7. COURT TRANSCRIPTS, DISCOVERY, AND INTER-
PRETER FUNDING**

GPR	\$1,666,000
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Request \$833,000 annually to support payments for: (a) transcripts of court proceedings; (b) discovery materials; and (c) interpreters. Base funding for the transcripts, discovery, and interpreters numeric is \$1,407,500. In recent years, base funding has not funded all such costs and, as a result, the SPD has reallocated funding from trial representation and appellate representation to support the costs of transcripts, discovery, and interpreters. In 2017-18, the SPD incurred \$2,240,500 in transcript, discovery, and interpreter costs.

8. EXPERT WITNESS SERVICES COST-TO-CONTINUE

GPR	\$1,455,800
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Request \$727,900 annually to support payments for expert witnesses. Base funding for experts is \$337,600. In recent years, base funding has not funded all such costs and, as a result, the SPD has reallocated funding from trial representation and appellate representation to support the costs of expert witnesses. In 2017-18, the SPD incurred \$1,065,500 in expert witness costs.

9. CHARGING AND SENTENCING ALTERNATIVES

GPR	- \$3,470,700
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Request -\$1,156,900 in 2019-20 and -\$2,313,800 in 2020-21, and adopt the following law changes in order to reduce the number of SPD appointments. [Note that estimated annual savings from all requested law changes are halved in 2019-20 since private bar attorneys generally bill the SPD six months after being assigned a case. Further, costs savings are based on a private bar reimbursement rate of \$40 per hour.]

a. Provide that for the first offense violation of s. 947.01 Disorderly Conduct, if the alleged offender has not previously been convicted of a felony offense and has not been convicted of any similar offense in the previous three years, the prosecutor would be required to offer the alleged offender the opportunity to either complete a diversion program or pay a forfeiture under a stipulated finding of guilt of a non-criminal ordinance violation. The SPD estimates that this law change would affect 8,976 cases and reduce SPD costs by \$1,159,000.

b. Modify current law to provide that possession of marijuana be reclassified as an ordinance violation for first- and second-time offenders and a misdemeanor for third-time offenders, provided that there are no allegations that the individual is manufacturing, distributing, or delivering a controlled substance. The SPD estimates that this law change would affect 10,539 cases and reduce SPD costs by \$980,500.

c. Modify current law to provide that bail jumping be reclassified as a misdemeanor no matter the initial charge. In 2017-18, SPD provided representation in 5,758 felony bail jumping cases. If these felonies had been misdemeanors, the SPD estimates annual savings of \$174,300.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
Base Level Plan			
1. Combination of the following: (a) statutory changes to the penalty surcharge and/or charging process for certain offenses to reduce the number of cases in which the SPD must appoint an attorney in both years; (b) remove the private bar rate increase in both years; and (c) remove monies from the private bar allocation cost to continue in 2019-20.	GPR	-\$2,600,900	-\$5,214,700
2. Increase to the transcripts, discovery, and interpreters allocation.	GPR	833,000	833,000
3. Increase to the salary adjustments allocation.	GPR	1,767,900	3,535,800
4. Increase to the program operation allocation for tuition reimbursement/loan assistance.	GPR	0	118,000
5. Increase to the trial representation allocation.	GPR	<u>0</u>	<u>727,900</u>
Total		\$0	\$0

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Combination of the following: (a) statutory changes to the penalty surcharge and/or charging process for certain offenses to reduce the number of cases in which the SPD must appoint an attorney in both years; (b) remove the private bar rate increase in both years; (c) remove private bar cost-to-continue in both years; and (d) remove monies from the private bar allocation in 2019-20.	GPR	-\$4,431,600	-\$8,250,900
2. Increase to the transcripts, discovery, and interpreters allocation.	GPR	0	388,600
3. Increase to the salary adjustments allocation.	GPR	0	3,535,800
4. Remove expert witness cost-to-continue funding.	GPR	<u>0</u>	<u>-105,100</u>
Total		-\$4,431,600	-\$4,431,600

PUBLIC INSTRUCTION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$6,291,046,200	\$6,693,577,000	\$7,480,875,500	\$1,592,360,100	12.7%	252.47	255.47	255.47	3.00	1.2%
FED	880,702,300	881,279,800	880,891,800	767,000	0.0	319.84	311.84	311.84	- 8.00	- 2.5
PR	46,884,600	47,281,200	47,643,400	1,155,400	1.2	76.69	76.69	76.69	0.00	0.0
SEG	<u>57,124,900</u>	<u>59,758,100</u>	<u>61,638,800</u>	<u>7,147,100</u>	6.3	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
TOTAL	\$7,275,758,000	\$7,681,896,100	\$8,471,049,500	\$1,601,429,600	11.0%	649.00	644.00	644.00	- 5.00	- 0.8%

Major Request Items

General School Aids and Revenue Limits

1. GENERAL SCHOOL AID AND TAX CREDIT PROVISIONS

GPR	\$602,122,000
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Request \$190,000,000 in 2019-20 and \$406,322,000 in 2020-21 for general school aids. Base level funding is \$4,656,848,000. Request \$5,800,000 in 2020-21 in a newly-created appropriation for hold harmless aid. Also, request statutory language to make the following changes to general aids and tax credit provisions, beginning in 2020-21:

a. Eliminate the school levy tax credit (\$940 million in 2018-19) and the first dollar tax credit (\$150 million in 2018-19) and, instead, distribute the same amount of funding (\$1,090 million) through the general school aids formula. Also, increase the current law \$75 million delayed payment of general school aid in the following July to \$1,165 million. 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.

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 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 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. In effect, the state acts as a property taxpayer through the credits.

b. Eliminate high poverty aid and reallocate base funding of \$16,830,000 to the general school aids appropriation.

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.

c. 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. 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.

d. Specify that special adjustment aid would be calculated based on 90% of a district's prior year general aid payment.

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.

e. Specify that every district would receive minimum aid of at least \$3,000 per member under the general aid formula.

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 and the first dollar tax credit. These credits would be eliminated under the proposal. The minimum aid provision might be viewed as providing aid to every district, to offset the loss of the tax credits provided to taxpayers.

f. Set the secondary cost ceiling at 100% of the prior year statewide shared cost per member.

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 run, 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.

g. Create a sum sufficient appropriation for hold harmless aid. For eligible districts, aid would be paid in the amount needed to provide the district with the same amount of funding from the sum of general aid, the school levy credit, and high poverty aid under the various formula changes in 2020-21 as they would have received from those three sources under current law.

2. REVENUE LIMIT PROVISIONS

Request statutory language to make the following changes to school district revenue limits:

a. Set the per pupil adjustment at \$200 in 2019-20 and \$204 in 2020-21 and create an 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. It is estimated that the proposed per pupil adjustments would provide approximately \$170 million in additional revenue limit authority statewide in each year of the biennium, before consideration of any offsetting changes in other revenue limit adjustments.

Per Pupil Adjustment

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Current Law	\$0	\$0	\$0
Request	0	200	204

b. 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 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 per pupil adjustment described above 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 proposal compared to current law.

Low Revenue Adjustment -- Per Pupil Amount

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Current Law	\$9,400	\$9,500	\$9,600
Request	9,400	9,700	10,000

3. REVENUE LIMIT ADJUSTMENT FOR LEAD TESTING AND REMEDIATION

Request statutory language to create a nonrecurring revenue limit adjustment for costs associated with lead testing and remediation projects in a district’s school facilities, beginning in the 2020-21 school year. Require a school board to adopt a resolution to utilize the adjustment. Specify that the adjustment could be used to fully pay for a project in a given year or to make debt service payments over several years, if the board were to borrow for costs of a project. Specify that if a board approves a resolution to issue debt, the adjustment could be used each year for which the resolution specifies.

4. FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP

Request statutory language to specify that four-year-old kindergarten pupils in full-day programs 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 four-year-old kindergarten 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.

5. SCHEDULING OF SCHOOL DISTRICT REFERENDA

Request statutory language to delete the provisions passed in the 2017-19 budget act related to scheduling of school district referenda.

Under the 2017-19 budget act, school district referenda to exceed revenue limits or issue bonds may only be held on regularly-scheduled election days, meaning the spring primary or election or partisan primary or general election. A school board may proceed under the statutes governing referenda for debt issuance and for revenue limits no more than two times in any calendar year. The board of a district that has experienced a natural disaster, including a fire, that causes the district's costs to increase may call a special referendum to be held within the six-month period immediately following the natural disaster, provided the special referendum would be held not sooner than 70 days after the filing of the board's resolution. A referendum held after a natural disaster is not subject to the two question limit and does not have to be held on a regularly-scheduled election day.

Categorical Aids

1. SPECIAL EDUCATION AID

GPR	\$606,121,800
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Request \$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. DPI estimates the additional aid would allow for reimbursement of 30% of special education costs in 2019-20 and 60% of costs in 2020-21.

2. HIGH COST SPECIAL EDUCATION AID

Request statutory language modifying the appropriation for the high cost special education aid program to be sum sufficient, and modifying the program to allow for reimbursement of 100% of eligible prior year costs above the \$30,000 per pupil threshold. 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.

3. SUPPLEMENTAL SPECIAL EDUCATION AID

GPR	- \$1,750,000
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Request -\$1,750,000 in 2020-21 and delete the appropriation for supplemental special education aid. Under the program, districts are eligible for aid if they meet three criteria: (a) revenue authority per pupil below the state average; (b) special education costs equal more than 16% of total costs; and (c) membership is 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. SPECIAL EDUCATION TRANSITION READINESS GRANT

GPR	\$7,000,000
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Request \$3,500,000 annually above base level funding of \$1,500,000 for competitive grants for special education workforce transition support services. Additionally, request statutory language allowing grants to be used for community engagement to develop employment opportunities for pupils with disabilities. Under current law, school districts and independent charter schools are eligible for grants of \$25,000 to \$100,000 for the following expenses: (a) transportation for pupils to work-based learning experiences; (b) professional development for instructors related to special education transitions; and (c) school staff dedicated to helping pupils with disabilities transition into the workforce. 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.

5. SPECIAL EDUCATION TRANSITION INCENTIVE GRANT

Request statutory language modifying the grant program so that grants could exceed the current law maximum amount if necessary to fully expend the appropriation. 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, and that per pupil payments would be equal to \$1,125 if the requested modification applied in that year.

6. AID FOR SCHOOL MENTAL HEALTH PROGRAMS

GPR	\$44,000,000
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Request an increase of \$22,000,000 annually above base level funding of \$3,000,000 for aid for school mental health programs. 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 choice schools that increased their expenditures on social workers from one year to the next.

Additionally, request an expansion of the program to include expenditures for school counselors, psychologists, and nurses, and to specify that districts and schools that have not increased their expenditures in those categories can still qualify for funding under the second tier of aid, as described above. DPI estimates that the proposed funding level would reimburse approximately 10% of statewide expenditures for pupil services staff.

7. SCHOOL-BASED MENTAL HEALTH SERVICES COLLABORATION GRANT

GPR	\$14,000,000
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Request additional funding of \$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.

8. MENTAL HEALTH AND SCHOOL CLIMATE TRAINING PROGRAMS

GPR	\$5,160,000
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Request an increase of \$2,580,000 annually above base level funding of \$420,000 for mental health training programs. Under current law, DPI is 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.

Of the total, \$1,160,000 annually would expand the number of trainings offered and develop training in additional areas, such as emergency preparedness, addressing anxiety-related needs, and suicide prevention. An additional \$1,000,000 would support the Wisconsin Safe and Healthy Schools (WISH) center, which would allow the placement of a dedicated staff person in each CESA to coordinate training and technical assistance related to mental health, safety, and school climate. Of the remainder, \$310,000 would provide a grant to Family Ties, a statewide organization whose goal is to help the families of children with mental, social, or behavioral issues, and \$110,000 would provide a grant to the Center for Suicide Awareness to support a text-based suicide prevention program.

9. SUPPORT FOR THE YOUTH RISK BEHAVIOR SURVEY

GPR	\$300,000
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Request \$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. The funds would be used to purchase and maintain a statewide survey data system that would allow the statewide survey to be administered online beginning in 2019. Of the total, it is estimated that \$100,000 would be used to purchase, update, and maintain the system, and the remaining \$50,000 would be used to purchase software licenses for staff in county public health departments, CESAs, and school districts.

10. BILINGUAL-BICULTURAL AID

GPR	\$40,920,400
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Request \$14,110,200 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 20% 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 English learner (EL) pupils in kindergarten to grade three, or 20 or more ELs in grades four to eight or grades nine to 12. In 2017-18, the reimbursement rate was approximately 8.1%.

11. SUPPLEMENTAL BILINGUAL-BICULTURAL AID

GPR	\$4,800,000
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Request \$2,400,000 annually for a new categorical aid program to award up to \$100 per English learner (EL) pupil to districts with EL populations below the statutory threshold that qualifies for the current bilingual categorical aid. Request that if funds are insufficient, DPI would be allowed to prorate the payments.

12. BILINGUAL-BICULTURAL TARGETED AID

GPR	\$6,800,000
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Request \$3,400,000 annually to create a new categorical aid program to provide aid to school districts for English learners whose language proficiency is classified as intermediate or below. School districts would receive up to \$100 per pupil who scored in the lowest three levels out of six on the annual English language proficiency assessment in the prior year. Payments would be prorated if appropriated funds were insufficient.

13. BILINGUAL-BICULTURAL EDUCATION PROGRAM GRANTS

GPR	\$5,000,000
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Request \$5,000,000 beginning in 2020-21 for discretionary grants to support educational program or English learner and bilingual-bicultural education. Eligible activities under the grant would include the following: (a) targeted staff training; (b) designing or procuring curriculum; (c) in-class support for classroom teachers; (d) establishing early childhood bilingual education programs; (e) establishing new dual language immersion programming; or (f) training for current staff to earn a English as a second language or bilingual education certification.

14. AFTER-SCHOOL PROGRAM GRANTS

GPR	\$20,000,000
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Request \$20,000,000 beginning in 2020-21 for a new grant program for ongoing support for after-school and summer programming. DPI indicates that renewable, multi-year grants could range from \$50,000 to \$100,000, with additional funds available for transportation. Priority would be given to areas that lack community resources, such as rural areas.

15. SPARSITY AID

GPR	\$19,572,200
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Request increase of \$9,786,100 annually above base level funding of \$25,213,900 for

sparsity aid. Also request statutory language 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 that an additional 85 districts could qualify for aid in 2019-20 under the proposal

Additionally, request a modification to the stop-gap measure that exists under current law. 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 receives 50% of its prior year award. Request statutory language allowing a district that loses its eligibility as a result of an increase in its pupil population density to also receive the stop-gap funds.

16. MILWAUKEE MATHEMATICS PARTNERSHIP

GPR	\$12,500,000
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Request \$2,500,000 in 2019-20 and \$10,000,000 in 2020-21 for a mathematics partnership between Milwaukee Public Schools (MPS) and the University of Wisconsin -- Milwaukee (UWM) that would place a mathematics teacher leader in school buildings. The funds would be distributed directly to MPS to implement a district plan developed in partnership with the UWM Center for Mathematics and Science Education Research. DPI indicates that the requested funds could support selection, training, and support for mathematics teacher leaders in approximately one-quarter of MPS school buildings in the first year of the grant, and in every district building in subsequent years.

17. PER PUPIL AID

GPR	-\$8,696,800
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Request statutory language to maintain the per pupil aid payment at \$654 per pupil in 2019-20 and 2020-21, and request -\$3,398,400 in 2019-20 and -\$5,298,400 in 2020-21 as a reestimate of 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. A district's current three-year rolling average pupil count under revenue limits is used to calculate the aid payment. DPI estimates that revenue limit enrollment will be 834,400 in 2019-20 and 831,500 in 2020-21.

18. SUMMER SCHOOL GRANT PROGRAM

GPR	\$7,200,000
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Request an additional \$3,600,000 annually above base level funding of \$1,400,000 for grants to develop, redesign, or implement a summer school program. Additionally, request

statutory language expanding grant eligibility to the state's five largest school districts, in addition to Milwaukee Public Schools (MPS) which is the only district eligible under current law. (The districts that would be newly eligible are Green Bay, Kenosha, Madison, and Racine.) DPI indicates that the additional funding would be used to increase the grant for MPS from \$1.4 million to \$2.0 million annually. The remaining funds would be used to provide a grant of \$750,000 to each of the four newly eligible districts.

19. SCHOOL BREAKFAST REIMBURSEMENT

GPR	\$5,679,000
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Request \$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. 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.

Additionally, request statutory language 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, and to specify that schools that close are not eligible for reimbursement for breakfasts served in the previous school year.

20. EARLY CHILDHOOD EDUCATION GRANTS

GPR	\$5,000,000
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Request \$5,000,000 beginning in 2020-21 for an early childhood education grant program that would fund new or expanded early childhood education programs in the state's five largest districts (Green Bay, Kenosha, Madison, Milwaukee, and Racine). Funding would be provided for pupils enrolled in three-year-old kindergarten programs equal to \$1,000 per pupil enrolled in the current year. Pupils would not be counted for general aid or revenue limit purposes. DPI estimates that 5,000 pupils would participate in the program in the first year, or approximately half of age-eligible pupils residing in the five districts.

21. HIGH COST TRANSPORTATION AID

GPR	\$4,600,000
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Request an additional \$2,300,000 annually above base level funding of \$12,700,000 for high cost transportation aid. It is estimated that this amount would fully fund payments to eligible districts in each year. Additionally, request statutory language eliminating the \$200,000 cap for payments for districts that qualified for aid in the previous year, but did not qualify in the current year.

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).

22. PUPIL TRANSPORTATION AID

Request statutory language increasing the reimbursement rate for pupils transported over 12 miles to and from school in the regular school year from \$365 to \$375. It is estimated that the current funding level would fully fund payments at the increased rate.

Additionally, request that a current law provision requiring DPI to prorate summer school transportation payments if a pupil attends 15 or fewer days during the summer session be deleted.

<u>Mileage</u>	<u>Current Law</u>		<u>Request</u>	
	<u>School Year</u>	<u>Summer School</u>	<u>School Year</u>	<u>Summer School</u>
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

23. DRIVER EDUCATION AID

GPR	\$2,500,000
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Request \$2,500,000 beginning in 2020-21 for driver education for economically disadvantaged pupils. Under the program, school districts, independent charter schools, and cooperative educational service agencies (CESAs) would be eligible to receive \$200 for each low-income pupil who completed its approved driver education course, including both in-classroom and behind the wheel instruction, in the previous year. To qualify for aid, the pupil would be required to be eligible for a free or reduced-price lunch, and the district, school, or CESA, would be required to demonstrate that the fee normally charged for the course was waived or reduced by at least the amount of the per-pupil aid amount under the program. If the appropriation is insufficient to fully fund eligible claims, payments would be prorated. At \$200 per pupil, approximately 12,500 pupils could be aided under the program annually.

24. COMMUNITY ENGAGEMENT GRANTS

GPR	\$2,000,000
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Request \$1,000,000 annually for a two-year pilot program for community engagement grants. Under the program, each of the state's five largest districts (Green Bay, Kenosha, Madison, Milwaukee, and Racine) would receive grants of \$200,000 to support partnerships in sectors such as housing, health, or transportation.

25. GIFTED AND TALENTED PROGRAM GRANT

GPR	\$1,525,600
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Request \$762,800 annually above base level funding of \$237,200 for grants to support gifted and talented education. Under the program, CESAs, school districts, nonprofit organizations, and institutions within the UW System are eligible to apply for funding for educational programming not ordinarily provided in a regular school program to benefit pupils of exceptional intellectual ability. Also request the following changes to statutory language: (a) include professional development and classroom activities supporting gifted and talented pupils as eligible grant activities; and (b) modify the goal of the program to serve pupils that have historically been underrepresented in the gifted and talented program, including economically-disadvantaged pupils, pupils with disabilities, racial or ethnic minorities, and English language learners.

26. SCHOOL DAY MILK PROGRAM

GPR	\$765,800
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Request \$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.

27. ROBOTICS LEAGUE PARTICIPATION GRANTS

GPR	\$500,000
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Request \$250,000 annually above base level funding of \$250,000 to fund grants for high school pupil teams to participate in robotics competitions. Under the program, teams can apply for funding for competition fees, kits and supplies, travel to robotics competitions, and a stipend for the team's adult mentor. DPI indicates that 121 grant applications were received in 2017-18 requesting funding totaling \$482,272. While all 121 applicants received funding, grants were prorated at 52% of the requested amount.

Additionally, DPI requests a change to statutory language that would allow grant funds to be used for more than one robotics competition in the same year.

28. TRIBAL LANGUAGE REVITALIZATION GRANTS

GPR-REV	- \$362,200
PR	\$362,200

Request \$362,200 in 2020-21 above base funding of \$222,800 for grants to support tribal language programming in schools, including \$262,200 in the existing appropriation for grants to eligible applicants and \$100,000 in a new appropriation to fund a partnership with Great Lakes Inter-Tribal Council, Inc. (GLITC). The program revenue is provided from tribal gaming revenue transferred from DOA. The additional funds would support a new targeted program in partnership with GLITC providing tribal language instruction to young learners, beginning with pupils in Head Start and four year old kindergarten programs in 2020-21. Head Start centers, school districts, and CESAs would be eligible to apply for two-year grants to develop curriculum and implement programming. In future biennia, grantees could apply for additional funding to continue the program in current grades and expand to additional grades between kindergarten and eighth grade.

GLITC's responsibilities would include partnering with DPI to create and evaluate grant applications, providing technical support and consultation regarding new programming to grantees, advising grantees regarding curriculum and content, and providing ongoing professional development. Funding for GLITC would be used for staff costs such as salary, travel, equipment, and supplies.

Additionally, request statutory language to include Head Start agencies as eligible grant applicants.

Choice and Charter

1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM

GPR	\$58,217,800
Aid Reduction	<u>-13,249,500</u>
Net GPR	\$71,467,300

Request \$19,764,100 in 2019-20 and \$38,453,700 in 2020-21 for payments under the Milwaukee private school choice program. Total funding would increase from \$222,227,100 in 2018-19 to \$241,991,200 in 2019-20 and \$260,680,800 in 2020-21. DPI estimates that 29,700 pupils in 2019-20 and 31,200 pupils in 2020-21 will participate in the program, and that, based on the relevant provisions requested by DPI, 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.

The cost of the program is partially offset by a reduction in the state general aid that would otherwise be paid to the Milwaukee Public Schools (MPS) by an amount equal to 19.2% in 2018-19 (or \$42,667,600) and decreasing by 3.2 percentage points each year. The aid reduction will equal 16.0% in 2019-20 (or \$3,162,300 of the requested increase) and 12.8% in 2018-19 (or \$4,922,100 of the requested increase). The total aid reduction will equal an estimated \$38,718,600 in 2019-20 and \$33,367,100 in 2020-21.

The following table shows the funding under the program as a change to the 2018-19 base year.

<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>Change to Base Year Doubled</u>	
\$222,227,100	\$241,991,200	\$260,680,800	\$58,217,800	GPR
<u>42,667,600</u>	<u>38,718,600</u>	<u>33,367,100</u>	<u>-13,249,500</u>	Aid Reduction
\$179,559,500	\$203,272,600	\$227,313,700	\$71,467,300	Net GPR

2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS

GPR	\$78,931,100
Aid Reduction	<u>79,756,800</u>
Net GPR	- \$825,700

Request \$25,128,900 in 2019-20 and \$53,802,200 in 2020-21 for

payments under the Racine and statewide private school choice programs. Total funding would increase from \$82,428,100 in 2018-29 to \$107,557,000 in 2019-20 and \$136,230,300 in 2020-21. DPI estimates that 3,720 pupils in 2019-20 and 4,160 pupils in 2020-21 will participate in the Racine program and 9,500 pupils in 2019-20 and 12,175 pupils in 2020-21 will participate in the statewide program. Based on the relevant provisions requested by DPI, 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, payments for incoming pupils in the Racine and statewide choice program (incoming pupils are pupils who first participated in the 2015-16 school year or later) are fully offset by a reduction in the state aid that would otherwise be paid to those pupils' school districts of residence. Therefore, the increase in funding requested for these pupils will be offset by an aid reduction. However, the number of legacy pupils who are fully funded by GPR is declining. The following table shows the funding under the program as a change to the 2018-19 base year.

<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>Change to Base Year Doubled</u>	
\$82,428,100	\$107,557,000	\$136,230,300	\$78,931,100	GPR
<u>70,809,500</u>	<u>95,974,500</u>	<u>125,401,300</u>	<u>79,756,800</u>	Aid Reduction
\$11,618,600	\$11,582,500	\$10,829,000	-\$825,700	Net GPR

3. SPECIAL NEEDS SCHOLARSHIP PROGRAM REESTIMATE

GPR	\$10,952,300
Aid Reduction	<u>10,952,300</u>
Net GPR	\$0

Request \$3,373,700 in 2019-20 and \$7,578,600 in 2020-21 for payments under the special needs scholarship program, over base level funding of \$9,320,300 in 2018-19. DPI estimates that participation in the program will equal 1,000 pupils in 2019-20 and 1,310 pupils in 2020-21. Based on the relevant provisions requested by DPI, 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. It is estimated that payments would total \$12,694,000 in 2019-20 and \$16,898,900 in 2020-21, including an estimated \$63,000 in 2019-20 and \$85,000 in 2020-21 attributable to payments for summer school.

Under current law, payments are fully funded through a reduction in the state aid that would otherwise be paid to those pupils' school districts of residence. Therefore, the increase in funding requested will be fully offset by an aid reduction.

Additionally, request statutory language allowing private schools to count special needs scholarship program pupils for summer school aid purposes, and providing funding for pupils who attend a summer school program for at least 15 days. Request that eligible summer school programs would be required to be offered for at least 19 days and 270 minutes per day. It is estimated that summer school payments would equal \$30,700 in 2017-18 and \$62,700 in 2018-19.

4. SPECIAL NEEDS SCHOLARSHIP PROGRAM (SNSP) STATUTORY LANGUAGE

Request the following changes to statutory language:

- a. Eliminate provisions providing an increased per pupil payment amount to private schools in the program if a school submits a financial statement stating that their costs for education an eligible pupil were above the statutory amount;
- b. Eliminate language allowing pupils to apply at any time during the school year, and instead specify that schools must accept pupils on a random basis;
- c. Remove language specifying that schools can be approved as a private school by the state superintendent, and instead require that schools obtain preaccreditation if they are not already accredited;
- d. Specify that any schools that first participate in the program in 2019-20 or later must also participate in one of the three private school choice programs, which would ensure that SNSP schools are also meeting requirements related to school accountability, financial viability, and teacher credentials that currently apply to the choice programs;
- e. Allow pupils to opt out of religious activity; and
- f. Specify that pupils in grades 9-12 could be charged additional tuition and fees if their family income exceeds 220% of the federal poverty level, as under the three private school choice programs.

5. INDEPENDENT CHARTER SCHOOL PROGRAM

GPR	\$28,719,800
Aid Reduction	<u>28,719,800</u>
Net GPR	\$0

Request \$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. The Department estimates that 8,600 pupils in 2019-20 and 9,150 pupils in 2020-21 will attend schools funded from this appropriation and that, based on the relevant provisions requested by the Department, 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.

Request \$3,130,800 in 2019-20 and \$4,579,100 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 Department estimates that 350 pupils in 2019-20 and 500 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.

6. CHOICE, CHARTER, AND OPEN ENROLLMENT PAYMENT INDEXING MECHANISM

Request statutory language to modify the indexing mechanism 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 categorical per pupil aid payment between the previous year and the current year, if positive.

Under current law, the various per pupil payment amounts under the private school choice programs, the special needs scholarship program, the independent charter school program, and the open enrollment program equal 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 school aid appropriations between the previous year and the current year, if positive.

7. EARLY COLLEGE CREDIT PROGRAM TUITION REIMBURSEMENT

GPR	\$3,507,000
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Request the transfer of the appropriation for tuition reimbursements to schools under the Early College Credit Program (\$1,753,500 annually) from the Department of Workforce Development to DPI.

Under the Early College Credit Program, high school pupils take college level coursework, and upon successful completion of the course, may receive both college and high school credit. Costs are shared between the institute of higher education, the pupil's school district of residence, the state, and (if the course is taken for college credit only) the pupil. Under current law, DPI is responsible for receiving participation reports from school districts and private schools, calculating aid eligibility, and making aid payments. DPI indicates that transferring the appropriation from DWD to DPI would allow faster payments of aid payments to schools.

Additionally, request statutory language specifying that aid would be paid based on data from the prior school year, rather than in the current year. DPI indicates that because payments cannot be calculated until data is submitted by schools after the end of the semester, it is difficult to verify data, calculate payments, and process payments before the end of the fiscal year.

8. AID FOR EARLY COLLEGE CREDIT TRANSPORTATION

Request the creation of a new appropriation for transportation aid for pupils participating in the early college credit program, and transfer of \$20,000 annually from the appropriation for transportation aid for open enrollment pupils. Under current law, the same appropriation reimburses parents for costs associated with transporting their child to school for pupils participating in open enrollment and the early college credit program. DPI indicates that because aid for the two programs is made under different timelines, and because aid is calculated using different eligibility requirements for the two programs, maintaining two appropriations would facilitate administration of the programs.

9. OPPORTUNITY SCHOOLS AND PARTNERSHIP PROGRAM

Request statutory language to delete the provisions 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 biennial 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 biennial 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.

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling \$318,900 GPR, \$577,500 FED, 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).

	Funding	Positions
GPR	\$685,200	0.00
FED	767,000	- 8.00
PR	<u>793,200</u>	<u>0.00</u>
Total	\$2,245,400	- 8.00

2. WISCONSIN READING CORPS

GPR	\$1,400,000
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Request \$700,000 annually for the Wisconsin Reading Corps (WRC), an AmeriCorps program that provides one-on-one literacy tutoring. 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 as a condition of receiving the state payment. Request that the matching requirement be maintained in 2019-20 and 2020-21.

3. GRANTS FOR NATIONAL TEACHER CERTIFICATION OR MASTER EDUCATOR LICENSURE

GPR	\$1,224,100
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Request an additional \$571,200 in 2019-20 and \$652,900 in 2020-21 above base level funding of \$2,910,000 in a sum sufficient appropriation for grants for teachers who are nationally board certified or hold a Wisconsin master educator license. Additionally, request two changes to statutory language: (a) beginning in 2019-20, increase the size of the annual grant to \$15,000 for teachers in high poverty schools located in districts with an enrollment of at least 18,000 pupils, which would include Green Bay, Kenosha, Madison, Milwaukee, and Racine; and (b) beginning in 2019-20, increase the size of the annual grant to \$10,000 annually for eligible teachers in high poverty schools located in districts with an enrollment of less than 18,000.

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.

4. STAFF SUPPORT FOR STATE PROGRAMS

	Funding	Positions
GPR	\$502,800	3.00

Request \$216,300 and 3.0 positions in 2019-20 and \$286,500 in 2020-21 in the appropriation for general program operations. DPI indicates that one position would be a school administration consultant who would administer the special needs scholarship program, including developing applications and other documents, determining private school and pupil participation eligibility, reviewing annual financial reports, processing payments, and providing guidance to parents, school districts, and private schools. The second position would be an education consultant whose responsibilities would include supporting school mental health initiatives. The third position would be an education consultant who would administer programming for bilingual-bicultural pupils and English language learners. Each position would be funded with \$41,800 salary, \$17,800 fringe benefits, and \$12,500 supplies and services in 2019-20 and \$55,800 salary, \$23,700 fringe benefits, and \$16,000 supplies and services in 2020-21.

5. WISCONSIN URBAN LEADERSHIP INSTITUTE GRANT

GPR	\$500,000
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Request \$250,000 annually for a new grant program for the Wisconsin Urban Leadership Institute (WULI). WULI provides training, coaching, and support for principals working in schools in the state's five largest school districts (Green Bay, Kenosha, Madison, Milwaukee, and Racine). WULI is currently funded through federal Title II funds, which DPI indicates would continue to be allocated for the program. Additional state funds would expand the program to include a greater number of principals.

6. SPECIAL OLYMPICS WISCONSIN

GPR	\$50,000
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Request \$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.

7. VERY SPECIAL ARTS

GPR	\$50,000
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Request \$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.

8. PUBLIC LIBRARY SYSTEM AID

SEG	\$6,500,000
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Request \$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.

9. BADGERLINK AND NEWSLINE FOR THE BLIND

SEG	\$345,800
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Request \$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. 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.

10. LIBRARY SERVICE CONTRACTS

SEG	\$301,300
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Request \$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.

2015 Act 201 Plan

		<u>Amount</u>		
		<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan				
1	General program operations.	GPR	-\$617,100	-\$617,100
2	Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired -- General program operations.	GPR	-578,600	-578,600
3	Energy costs for Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired.	GPR	-25,600	-25,600
4	Electric energy derived from renewable resources.	GPR	-700	-700
5	Pupil assessment.	GPR	-927,900	-927,900
6	Student information system.	GPR	-170,000	-170,000
7	Education effectiveness evaluation system.	GPR	-48,700	-48,700
8	Longitudinal data system.	GPR	-174,400	-174,400
9	WISElearn.	GPR	-68,000	-68,000
10	Academic and career planning.	GPR	-55,000	-55,000
11	Mental health training program.	GPR	-21,000	-21,000

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
12 Assessments of reading readiness.	GPR	-\$107,600	-\$107,600
13 Grant for information technology education.	GPR	-43,800	-43,800
14 Educator effectiveness evaluation system fees.	PR	-215,500	-215,500
15 Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired -- leasing of space.	PR	-100	-100
16 Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired -- services.	PR	-400	-400
17 Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired -- pupil transportation.	PR	-60,500	-60,500
18 Personnel licensure, teacher supply, information and analysis, and teacher improvement.	PR	-177,200	-177,200
19 General educational development and high school graduation equivalency.	PR	-7,400	-7,400
20 Services for drivers.	PR	-7,300	-7,300
21 Publications.	PR	-7,800	-7,800
22 Library products and services.	PR	-7,100	-7,100
23 Milwaukee parental choice program and the parental choice program for eligible school districts and other districts -- financial audits.	PR	-7,000	-7,000
24 School lunch handling charges.	PR	-503,600	-503,600
25 Professional services center charges.	PR	-5,300	-5,300
26 Gifts, grants, and trust funds.	PR	-75,000	-75,000
27 School district boundary appeal proceedings.	PR	-500	-500
28 Alcohol and other drug abuse program.	PR	-30,600	-30,600
29 Funds transferred from other state agencies -- program operations	PR	-135,200	-135,200
30 State agency library processing center.	PR	-400	-400
31 Data processing.	PR	-453,100	-453,100
32 Digital learning collaborative.	PR	-50,000	-50,000
33 Library service contracts.	PR	<u>-58,700</u>	<u>-58,700</u>
Total		-\$4,641,100	-\$4,641,100
	GPR	(-2,838,400)	(-2,838,400)
	PR	(-1,802,700)	(-1,802,700)

PUBLIC SERVICE COMMISSION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
FED	\$2,715,300	\$2,799,100	\$2,799,400	\$167,900	3.1%	10.25	10.25	10.25	0.00	0.0%
PR	20,022,100	20,214,800	20,235,900	406,500	1.0	139.00	139.00	139.00	0.00	0.0
SEG	<u>6,527,900</u>	<u>6,505,400</u>	<u>6,505,400</u>	<u>- 45,000</u>	- 0.3	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>	0.0
TOTAL	<u>\$29,265,300</u>	<u>\$29,519,300</u>	<u>\$29,540,700</u>	<u>\$529,400</u>	0.9%	<u>153.25</u>	<u>153.25</u>	<u>153.25</u>	<u>0.00</u>	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

Request 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 (\$82,400 FED, \$338,700 PR, 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 (\$1,400 FED and \$90,300 PR in 2019-20, and \$1,700 FED and \$111,400 PR in 2020-21).

FED	\$167,900
PR	378,500
SEG	<u>- 45,000</u>
Total	<u>\$501,400</u>

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Reduce various PSC supplies and services expenditures.	PR	-\$935,200	-\$935,200
	SEG	-29,400	-29,400
2. Eliminate 0.5 regulatory specialist within the Office of the Commissioner of Railroads.	PR	<u>-28,800</u>	<u>-28,800</u>
Total		-\$993,400	-\$993,400
	PR	(-964,000)	(-964,000)
	SEG	(-29,400)	(-29,400)

REVENUE

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$153,517,100	\$153,427,700	\$153,549,400	-\$57,100	0.0%	953.08	953.08	953.08	0.00	0.0%
PR	20,903,600	20,989,500	21,074,100	256,400	0.6	136.50	134.50	134.50	- 2.00	- 1.5
SEG	41,769,900	45,965,200	45,993,000	8,418,400	10.1	92.45	92.45	92.45	0.00	0.0
TOTAL	\$216,190,600	\$220,382,400	\$220,616,500	\$8,617,700	2.0%	1,182.03	1,180.03	1,180.03	- 2.00	- 0.2%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget for: (a) turnover reduction (-\$1,713,800 GPR and -\$118,300 SEG annually); (b) removal of noncontinuing items 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 and \$140,800 PR annually, and \$249,300 SEG in 2019-20 and \$249,400 SEG in 2020-21); (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.

	Funding	Positions
GPR	-\$57,100	0.00
PR	256,400	- 2.00
SEG	309,200	0.00
Total	\$508,500	- 2.00

Additionally, DOR notes that the two expiring PR project positions that would be removed under standard budget adjustments are estimated to reduce the amount of unclaimed property returned to owners by between \$5 million and \$10 million, annually. Under Article X, Section 2 of the Wisconsin Constitution, the clear proceeds of all fines and forfeitures (including unclaimed and escheated property) are deposited in the Common School Fund. Therefore, the expected decrease in unclaimed property being returned to its owners would result in a corresponding increase in revenue to the Common School Fund, likely beginning in fiscal year 2020-21. It should be noted that these two positions were first authorized under the 2005-07 biennial budget bill and have been extended or otherwise reauthorized under each subsequent budget bill.

2. DEPENDENT CARE CREDIT

Request the creation of a nonrefundable state individual income tax credit for additional household and dependent care expenses beginning in tax year 2020. Under the proposal, the state credit would be set equal to the federal credit for

GPR-Tax - \$52,900,000

expenses for household and dependent care services necessary for gainful employment, which equals between 20% and 35% of claimants' allowable expenses, up to \$3,000 of such expenses for one qualifying dependent and up to \$6,000 of such expenses for more than one qualifying dependent. The state credit would be limited to claimants who are residents of the state for the entire year and would not be available to part-year residents and non-residents. Estimate reduced individual income tax collections at \$52,900,000 in 2020-21. The proposal does not request modifications to the current law deduction for child and dependent care expenses.

3. LOTTERY SALES PROJECTIONS

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 Department of Revenue's request projects sales of \$661.9 million in 2019-20. The following table shows these projections, as well as 2017-18 actual lottery sales and the 2018-19 sales estimates used to determine base level funding for retailer compensation and vendor fees under 2017 Act 59.

Lottery Sales Projections (\$ in Millions)

Game Type	Actual 2017-18	Act 59 2018-19	DOR 2019-20	Percent Change from 2018-19	DOR 2020-21	Percent Change from 2019-20
Scratch	\$419.4	\$396.6	\$421.8	6.4%	\$421.8	0.0%
Pull-tab	1.0	1.0	0.9	-10.0	0.9	0.0
Lotto	<u>247.0</u>	<u>221.6</u>	<u>239.1</u>	<u>7.9</u>	<u>239.1</u>	<u>0.0</u>
Total	\$667.4	\$619.2	\$661.9	6.9%	\$661.9	0.0%

4. SUM SUFFICIENT APPROPRIATIONS FOR RETAILER COMPENSATION AND VENDOR FEES

SEG	\$8,109,200
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Request \$4,054,600 annually to reestimate lottery sum sufficient appropriations for retailer compensation and vendor fees, as follows:

Retailer Compensation. Request 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.

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 \$6.6 million in 2019-20 under the request). Base level funding of \$43,427,400 (\$40,000,000 GPR and \$3,427,400 SEG), established under 2017 Wisconsin Act 59, was based on estimated lottery sales of \$619.2 million in 2018-19. The Department's lottery sales projections of \$661.9 million in 2019-20 and 2020-21 result in the requested increases to retailer compensation funding.

Vendor Fees. Request 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 request, vendor fees would total 2.6% of lottery ticket sales in both 2019-20 and 2020-21.

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1.	Delete 38.00 tax enforcement positions*.	GPR	-\$2,539,400
2.	Delete 1.00 football stadium tax administration position.	PR	-81,500
3.	Delete 7.00 positions (4.00 state and local finance, 1.00 information technology specialist, 1.00 revenue supervisor, and 1.00 mail review supervisor).	GPR	-575,200
4.	Reduce funding for six income tax return processing LTE positions.	GPR	-80,600
5.	Reduce supplies and services.	GPR	-3,752,900
6.	Reduce supplies and services.	PR	-2,582,100
7.	Reduce supplies and services.	SEG	-1,192,500
8.	Reduce funding for one business services LTE position.	SEG	-5,400
Total			
		GPR	-\$10,809,600
		PR	(-\$6,948,100)
		PR	(-\$2,663,600)
		SEG	(-\$1,197,900)

* DOR estimates that deleting 38.00 tax enforcement positions would reduce state revenues by \$32.0 million annually.

SAFETY AND PROFESSIONAL SERVICES

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
FED	\$478,900	\$663,300	\$512,000	\$217,500	22.7%	1.70	1.70	1.70	0.00	0.0%
PR	<u>54,777,300</u>	<u>57,029,300</u>	<u>56,098,500</u>	<u>3,573,200</u>	3.3	<u>234.44</u>	<u>234.44</u>	<u>234.44</u>	<u>0.00</u>	0.0
TOTAL	\$55,256,200	\$57,692,600	\$56,610,500	\$3,790,700	3.4%	236.14	236.14	236.14	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request a decrease of \$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 fund 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).

	Funding	Positions
PR	-\$1,791,200	- 5.00
FED	<u>- 38,800</u>	<u>0.00</u>
Total	-\$1,830,000	- 5.00

2. INFORMATION TECHNOLOGY PROJECTS

PR	\$5,025,000
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Request \$2,995,000 in 2019-20 and \$2,030,000 in 2020-21 to support information technology improvement projects in the 2019-21 biennium. All of the funding would be provided from the Division of Industry Services operations appropriation, which receives revenues from building plan reviews, inspections, and credentials for buildings and trades professions. 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.

3. EXTEND PRESCRIPTION DRUG MONITORING PROGRAM PROJECT POSITIONS

	Funding	Positions
PR	\$339,400	5.00

Request \$339,400 PR in 2020-21 and 5.0 PR project positions in 2020-21, to extend 5.0 project positions relating to the operation of the prescription drug monitoring program for one year, terminating on June 30, 2021. These project positions, an office program associate, an information systems data specialist, an attorney, and two investigators, were initially authorized in

2017 Act 59 for a three-year period, terminating on June 30, 2020. The funding and position authority for these position is deleted in 2020-21 as part of the standard budget adjustment that removes noncontinuing elements from the base.

4. PRESCRIPTION DRUG MONITORING PROGRAM (PDMP) -- REPORTING NALOXONE ADMINISTERED BY AMBULANCE SERVICES

FED	\$238,800
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Request \$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 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. DSPS anticipates receiving federal grant funding under the Harold Rogers Prescription Drug Monitoring Program administered by the U.S. Department of Justice to fund this item.

5. REPEAL CERTAIN BOARDS AND COUNCILS

Request statutory changes to repeal five boards and councils that last met prior to September 15, 2017. These boards and councils are: (a) the Examining Board of Professional Geologists, Hydrologists and Soil Scientists; (b) the Automatic Fire Sprinkler System Contractors and Journeymen Council; (c) the Manufactured Housing Code Council; (d) the 2% Fire Dues Appeals Board; and (e) the Sign Language Interpreters Council. (The 2% Fire Dues Appeals Board is created by DSPS administrative rule and would not require legislation to repeal or modify.)

Under current law, DSPS is required to include in its biennial budget request a proposal to eliminate any council, board, or commission that has not held a meeting since the preceding September 15, unless the council, board, or commission is required to exist under federal law.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Reduce funding for safety and buildings operations.	PR	-\$1,002,400	-\$1,002,400
2. Reduce base funding budgeted for information technology hardware, software, support, and maintenance from four of the agency's general program operations appropriations.	PR	-664,800	-664,800
Total		-\$1,667,200	-\$1,667,200

SECRETARY OF STATE

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
PR	\$271,900	\$423,000	\$429,300	\$308,500	56.7%	2.00	4.00	4.00	2.00	100.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

PR	\$9,200
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Request adjustments to the base budget for full funding of continuing position salaries and fringe benefits (\$4,600 annually).

2. ADDITIONAL POSITIONS

	Funding	Positions
PR	\$179,800	2.00

Request \$77,000 in 2019-20 and \$102,800 in 2020-21 and 2.00 FTE positions annually to the Secretary of State (SOS). The funds requested reflect increased salary and fringe costs for an unclassified Deputy Secretary of State position and a classified Office Operations Associate position, which would restore SOS staffing levels to those experienced prior to 2015 Act 55. According to the SOS, these positions are necessary for the office to fulfill its constitutional duties.

Prior to Act 55, the SOS could appoint an assistant who could perform and execute any of the duties of the SOS, except as a member of the Board of Commissioners of Public Lands. The assistant had to take and subscribe the Oath of Office, as prescribed under the state constitution, and had to give bond to the SOS in the sum and with the conditions prescribed by the Secretary, conditioned for the faithful discharge of the duties. The Oath had to be filed and preserved in the Office of the Governor. These provisions would be recreated under this request.

3. INCREASE FUNDING FOR SUPPLIES AND SERVICES

PR	\$119,500
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Request \$48,800 in 2019-20 and \$50,000 in 2020-21 for supplies and services to reflect cost increases associated with additional space rental for the SOS. Additionally, request \$20,700 in 2019-20 for one time-financing for relocation costs necessary to accommodate the additional requested staff.

4. INCREASE ANNUAL TRANSFER OF REVENUES FROM THE DEPARTMENT OF FINANCIAL INSTITUTIONS

PR-REV	\$50,000
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Request an increase in the amount of funds transferred from the Department of Financial Institutions' (DFI) general program operations appropriation to the SOS's program fees appropriation by \$25,000, annually. Increase program revenues deposited into this appropriation by \$25,000, annually. The SOS states that the increased revenue transfer would support the additional requested positions.

Under current law, an annual transfer of \$150,000 is made from DFI's general program operations appropriation to the SOS's program fees appropriation. Under the request, this amount would be increased to a transfer of \$175,000, annually.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
Reduce supplies and services from program fee operations and program fee administration.	PR	-\$13,600	-\$13,600

SHARED REVENUE AND TAX RELIEF

Budget Summary						FTE Position Summary
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		There are no positions authorized for Shared Revenue and Tax Relief.
		2019-20	2020-21	Amount	%	
GPR	\$2,499,290,300	\$2,515,398,400	\$2,825,284,800	\$342,102,600	6.8%	
PR	69,700,000	69,700,000	69,700,000	0	0.0	
SEG	251,705,300	263,685,700	263,685,700	23,960,800	4.8	
TOTAL	\$2,820,695,600	\$2,848,784,100	\$3,158,670,500	\$366,063,400	6.5%	

Major Request Items

Income and Franchise Tax Credits

1. NEW GRADUATE TAX CREDIT

GPR	\$70,000,000
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Request the creation of a refundable state individual income tax credit called the new graduate tax credit and the expenditure of \$8,000,000 in 2019-20 and \$62,000,000 in 2020-21. Request that the credit be eligible to: (a) Wisconsin residents who have resided in Wisconsin for at least 12 months post-graduation, who have attended and obtained, after December 31, 2018, a graduate or undergraduate degree, or technical diploma of at least two years from any university, college, or technical college and is employed in Wisconsin; or (b) a nonresident who has attended and obtained, after December 31, 2018, a graduate or undergraduate degree, or technical diploma of at least two years from a Wisconsin university, college, or technical college, is employed in Wisconsin, and establishes at least 12 consecutive months of residency post-graduation. Request that the credit be an amount equal to \$1,000 for each of the five consecutive tax years following the year the claimant obtains an undergraduate or graduate degree, beginning after tax year 2019. Request that the credit: (a) be limited to claimants who are residents of Wisconsin as of the close of the tax year to which the claim relates; (b) be denied to claimants who have no Wisconsin earned income, as defined under the Internal Revenue Code, for the tax year to which the claim relates; (c) be available to both spouses of a married couple who meet the eligibility criteria; (d) be limited to only one degree program per claimant; and (e) be denied to claimants who are nonresidents of Wisconsin during their attendance at a university, college, or technical college located outside Wisconsin. Request authorization for the Department of Revenue to enforce the credit by taking any action, conducting any proceeding, and proceeding as authorized under current law with respect to state income taxes and extend current law individual income tax provisions relating to assessments, refunds, appeals, collection, interest, and penalties to the credit. Because the credit could be claimed for five consecutive tax years, the cost of the credit is estimated to increase in

future biennia to \$114,000,000 in 2021-22, \$164,000,000 in 2022-23, \$213,000,000 in 2023-24, and \$255,000,000 in 2024-25.

2. EARNED INCOME TAX CREDIT

GPR	- \$1,800,000
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Request decreases of \$1,600,000 in 2019-20 and \$200,000 in 2020-21 in funding for the earned income tax credit (EITC) to reflect reestimates of the sum sufficient GPR appropriation. With these adjustments, base level GPR funding of \$30,900,000 would decrease to \$29,300,000 in 2019-20 and \$30,700,000 in 2020-21. The EITC is funded through a combination of GPR and PR funding. The PR component is provided by a transfer of temporary assistance for needy families (TANF) funding from the Department of Children and Families, and the GPR component is provided through a sum sufficient appropriation, which covers the balance of the credit's cost. This request reflects no change to the PR component, which has a base funding level of \$69,700,000. Total funding for the EITC would be \$99,000,000 in 2019-20 and \$100,400,000 in 2020-21.

3. EARNED INCOME TAX CREDIT MARRIAGE PENALTY REDUCTION

GPR	\$1,400,000
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Request the expenditure of \$1,400,000 in 2020-21 and modifications to the state EITC to authorize claimants who become married in a year to claim the greater of the credit calculated as a married claimant or the credit claimed in the prior year when the claimant was unmarried, beginning in tax year 2020. In addition, request modifications for the two succeeding years authorizing the claimant to claim the greater of the credit calculated as a married claimant for the year of the claim or the credit claimed in the year prior to the year the claimant became married. Because the request would first apply in tax year 2020 and extend for the initial three years of the claimant's marriage, the cost of the request would increase to an estimated \$2,800,000 in 2021-22 and \$4,300,000 in 2022-23 and annually thereafter. With the preceding sum sufficient estimate, total funding for the credit would equal an estimated \$101,800,000 in 2020-21. Finally, request a modification to a reference to the federal EITC to reflect changes made to the Internal Revenue Code.

4. ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE CREDIT

GPR	\$221,480,000
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Request increases of \$9,525,100 in 2019-20 and \$211,954,900 in 2020-21 for the sum sufficient appropriation for refundable electronics and information technology manufacturing (EITM) zone tax credits to estimate anticipated claims during the biennium. The reestimate reflects the Administration's review of the jobs, payroll, and capital expenditure targets established under the contract the Wisconsin Economic Development Corporation (WEDC) entered into with three Wisconsin corporations that are affiliated with Hon Hai Precision Industry Co., Ltd (Foxconn). 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, if 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. With these adjustments, estimated total funding would increase from \$0 in 2018-19 to \$9,525,100 in 2019-20 and to \$211,954,900 in 2020-21.

5. ENTERPRISE ZONE TAX CREDITS

GPR	- \$21,600,000
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Request decreases of \$4,000,000 in 2019-20 and of \$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 \$68,300,000 in 2018-19 to \$64,300,000 in 2019-20 and \$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.

6. JOBS TAX CREDIT

GPR	- \$16,300,000
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Request decreases of \$7,100,000 in 2019-20 and \$9,200,000 in 2020-21 for the sum sufficient appropriation for refundable jobs tax credits to reestimate anticipated claims during the biennium. The reestimate reflects projections of credit claims for economic development projects for which WEDC has previously contracted tax credit awards. With the adjustments, estimated total funding would decrease from \$12,100,000 annually to \$5,000,000 in 2019-20 and \$2,900,000 in 2020-21. The credit equals 10% of the wages paid to an eligible employee and/or the amount of costs incurred to undertake training activities in the year.

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.

7. BUSINESS DEVELOPMENT TAX CREDIT

GPR	\$4,300,000
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Request increases of \$2,000,000 in 2019-20 and \$2,300,000 in 2020-21 for the sum sufficient appropriation for refundable 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 \$16,100,000 annually to \$18,100,000 in 2019-20 and \$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.

8. RESEARCH TAX CREDIT

GPR	\$12,300,000
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Request increases of \$5,400,000 in 2019-20 and of \$6,900,000 in 2020-21 for the sum sufficient appropriation for refundable research tax credits to reestimate anticipated claims during the biennium. 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 Internal Revenue Code, for research conducted in Wisconsin. For tax years beginning on or after January 1, 2018, 90% of the amount of new credits computed may be claimed as a nonrefundable credit and 10% of the amount computed may be claimed as a refundable credit. The amounts shown above reflect only the estimated cost of the refundable portion of research credit claims. With the adjustments, estimated total funding would increase from \$2,100,000 in 2018-19 to \$7,500,000 in 2019-20 and \$9,000,000 in 2020-21.

9. VETERANS AND SURVIVING SPOUSES PROPERTY TAX CREDIT

GPR	\$8,040,000
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Request increases of \$3,470,000 in 2019-20 and \$4,570,000 in 2020-21 to the sum sufficient appropriation for the veterans and surviving spouses property tax credit to reflect estimated payment amounts. With these adjustments, base level funding of \$30,430,000 would increase to \$33,900,000 in 2019-20 and \$35,000,000 in 2020-21. The credit is equal to real and personal property taxes paid on a principal dwelling by certain veterans and surviving spouses.

Excise Tax Refunds

1. CIGARETTE AND TOBACCO PRODUCT TAX REFUNDS

GPR	- \$1,232,000
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Request decreases in funding for cigarette and tobacco products tax refunds of \$361,000 in 2019-20 and \$871,000 in 2020-21 to reflect lower estimates of the sum sufficient appropriation amounts required to reimburse Native American tribes under present law. Under current law, for sales that occur on reservations or trust lands, the tribes receive a refund of 100% of the excise tax 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. The requested decrease in the sum sufficient estimate reflects the Department of Revenue's lower estimate for refunds to Native American tribes in 2019-20 and 2020-21. Total funding for cigarette and tobacco product tax refunds would be \$33,635,000 in 2019-20 and \$33,125,000 in 2020-21.

Direct Aid Payments

1. STATE AID FOR EXEMPT COMPUTERS, CASH REGISTERS, AND FAX MACHINES

GPR	\$4,629,400
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Request increases of \$2,314,700 annually to the sum sufficient appropriation to reflect ongoing funding of the 2018-19 payment amounts. With these adjustments, base level funding of \$95,652,400 would increase to \$97,967,100 each year. The appropriation is used to make aid payments to local governments containing computers, cash registers, and fax machines that are exempt from local property taxation. Under 2017 Act 59, payments to taxing jurisdictions will remain at the 2018-19 level in each year thereafter with only those entities receiving a payment in 2017-18 continuing to receive a payment.

2. STATE AID FOR PUBLIC UTILITY PROPERTY

GPR	\$3,299,300
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Request increases of \$1,270,600 in 2019-20 and \$2,028,700 in 2020-21 to the sum sufficient public utility distribution account appropriation to reflect estimates of payment amounts. With these adjustments, base level funding in the appropriation of \$74,530,600 would increase to \$75,801,200 in 2019-20 and \$76,559,300 in 2020-21. The public utility distribution account appropriation is used to make aid payments to counties and municipalities containing certain types of public utility property that are exempt from local property taxation.

3. STATE AID FOR EXEMPT PERSONAL PROPERTY

GPR	\$1,908,400
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Request increases of \$954,200 annually to the sum sufficient appropriation to reflect ongoing funding of the 2018-19 payment amounts. With these adjustments, base level funding of \$74,400,000 would increase to \$75,354,200 each year. The appropriation is used to make aid payments to local governments for exempt property classified as non-manufacturing machinery, tools, and patterns not used for manufacturing purposes. 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.

4. COUNTY AND MUNICIPAL AID ACCOUNT -- POLICE AND FIRE PROTECTION FUND

GPR	\$333,000
SEG	<u>- 333,200</u>
Total	- \$200

Request \$166,500 GPR annually and a decrease of \$166,600 SEG annually in the appropriations for the county and municipal aid program. The SEG adjustment reflects the estimated decreases in revenue collected in the police and fire protection fund, which is the source for a portion of county and municipal aid program payments. Payments from the police and fire protection fund would be estimated at \$45,920,800 annually compared to a base level amount of \$46,087,400. The GPR increases reflect a corresponding adjustment to the GPR

sum sufficient appropriation to offset the reduction in the police and fire protection fund (SEG) revenue estimate. With these adjustments, total GPR payments for the county and municipal aid program would increase to \$698,154,900 annually.

The total statutory aid distribution from all sources (excluding \$5,000,000 annually from the medical assistance program) would remain unchanged at \$748,075,700 annually, but the appropriations would underfund this distribution by \$4,000,000 annually. This reduction is due to 2015 Act 60, which reduced the county and municipal aid distribution to Milwaukee County by \$4,000,000 each year from 2016 through 2035. This annual 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.

Property Tax Credits

1. HOMESTEAD TAX CREDIT REESTIMATE

GPR	- \$13,500,000
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Request decreases of \$6,000,000 in 2019-20 and \$7,500,000 in 2020-21 for the sum sufficient appropriation to reflect anticipated costs of the credit in the biennium. With these adjustments, estimated total funding 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.

2. HOMESTEAD EXPANSION FOR INDIVIDUALS AGE 62 OR OVER

GPR	\$61,800,000
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Request \$61,800,000 in 2020-21 and the creation of formula factors under the homestead tax credit to extend only to claimants who are 62 years of age or older, beginning with claims filed in 2021 for 2020 property taxes. Request the formula factors be set at \$2,190 for the maximum amount of property taxes or rent constituting property taxes, \$12,090 for the income level at which the credit begins to phase out, and \$37,020 for the maximum allowable income for claims filed in 2021 and create an annual indexing adjustment for the factors beginning with claims filed in 2022. Request the indexing adjustment be based on the change between the 12-month average of the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor, between August of the year that is two years before the claim and July of the year that is the year before the claim and the 12-month average of the index between August, 2019, and July, 2020, and specify that the factors be rounded to the nearest multiple of \$10. Request that the Department of Revenue be authorized to adjust the percentage by which property taxes or rent constituting property taxes is reduced when claimants' income exceeds the income level at which the credit begins to phase out. Due to the indexing provision, the cost of this request is estimated to increase to \$67,300,000 in 2021-22, \$72,700,000 in 2022-23, and increasing amounts annually thereafter. With the preceding sum sufficient estimate, total funding for the credit would equal an estimated \$139,200,000 in 2020-21.

Under current law, low income homeowners and renters who are 18 years of age or older and who experience excessive property taxes or rent constituting property taxes may be able to claim the homestead tax credit. A formula is used to calculate each claimant's credit based on three factors, which are specified in state statute: the maximum property taxes or rent constituting property taxes is set at \$1,460; the income level at which the credit begins to phase out is set at \$8,060; and the maximum allowable income is set at \$24,680. These factors are not indexed for inflation, and under the request, they would continue to be used to calculate the credit for claimants who are under 62 years of age.

3. FARMLAND PRESERVATION TAX CREDIT REESTIMATE

GPR	- \$4,960,000
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Request decreases of \$2,430,000 in 2019-20 and \$2,530,000 in 2020-21 to 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. With these reestimates, the credit's base level of funding of \$18,180,000 would decrease to \$15,750,000 in 2019-20 and \$15,650,000 in 2020-21.

4. LOTTERY AND GAMING CREDIT REESTIMATE

SEG	\$24,186,200
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Request increases of \$12,093,100 annually to the sum sufficient appropriation to reflect estimates of lottery proceeds available for distribution. With these adjustments, estimated total funding would increase from an adjusted base level of \$205,360,300 to \$217,453,400 each year.

Other Property Tax Relief

1. FORESTRY TRANSFER REESTIMATE

GPR	\$12,066,500
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Request an increase of \$4,529,000 in 2019-20 and \$7,537,500 in 2020-21 for the transfer from the general fund to the forestry account of the conservation fund for the purposes of acquiring, preserving and developing the forests of the state. 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 the property in the state. Under the request, the transfer to the forestry account would be estimated at \$96.2 million in 2019-20 and \$99.2 million in 2020-21.

STATE FAIR PARK

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$2,478,000	\$2,478,000	\$2,478,000	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
PR	<u>20,922,800</u>	<u>22,124,700</u>	<u>22,272,800</u>	<u>2,551,900</u>	6.1	<u>47.00</u>	<u>50.00</u>	<u>50.00</u>	<u>3.00</u>	6.4
TOTAL	\$23,400,800	\$24,602,700	\$24,750,800	\$2,551,900	5.5%	47.00	50.00	50.00	3.00	6.4%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

PR	\$756,600
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Request 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
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Request additional budget authority of \$816,400 in 2019-20 and \$964,500 in 2020-21 for State Fair Park operations. Of the amounts requested, \$460,200 annually would be budgeted for limited-term employee costs in the following areas: 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. State Fair Park operations expenditures, excluding debt service and certain facilities upgrades, totaled \$22.2 million in 2017-18, above the initially budgeted \$16.9 million. Under the request, operations expenditures 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

	Funding	Positions
PR	\$14,400	3.00

Request 3.0 unclassified positions with \$7,200 annually to hire limited-term employees (LTEs) as permanent staff at the same wage rate. State Fair Park reports the employees are already eligible for fringe benefits, and associated increases of \$7,200 annually 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).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Reduce agricultural programming.	PR	-\$359,800	-\$359,800
2. Reduce State Fair entertainment spending.	PR	-300,000	-300,000
3. Reduce security spending.	PR	<u>-200,000</u>	<u>-200,000</u>
Total		-\$859,800	-\$859,800

STATE TREASURER

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	<u>Request</u>		2019-21 Change Over Base Year Doubled		2018-19	<u>Request</u>		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
PR	\$116,700	\$116,700	\$116,700	\$0	0.0%	1.00	1.00	1.00	0.00	0.0%

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
5% Budget Reduction Plan		<u>2019-20</u>	<u>2020-21</u>
Reduce funding for administrative expenses	PR	-\$5,800	-\$5,800

SUPREME COURT

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$17,823,500	\$17,502,700	\$17,545,200	-\$599,100	- 1.7%	115.50	115.50	115.50	0.00	0.0%
FED	1,000,900	965,500	965,500	- 70,800	- 3.5	5.00	5.00	5.00	0.00	0.0
PR	13,025,400	13,116,600	13,146,100	211,900	0.8	96.25	96.25	96.25	0.00	0.0
SEG	<u>833,400</u>	<u>822,800</u>	<u>824,200</u>	<u>- 19,800</u>	- 1.2	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$32,683,200	\$32,407,600	\$32,481,000	-\$477,800	- 0.7%	221.75	221.75	221.75	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

Request -\$275,600 in 2019-20 and -\$202,200 in 2020-21 for standard budget adjustments as follows: (a) salary and fringe benefits, -\$489,100 GPR, -\$132,700 PR, -\$35,400 FED, and -\$21,300 SEG annually; and (b) full funding of lease and directed move 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.

GPR	-\$599,100
PR	211,900
FED	- 70,800
SEG	<u>- 19,800</u>
Total	<u>-\$477,800</u>

TOURISM

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$5,141,700	\$5,271,200	\$5,276,900	\$264,700	2.6%	29.00	29.00	29.00	0.00	0.0%
FED	766,200	770,900	770,900	9,400	0.6	1.00	1.00	1.00	0.00	0.0
PR	9,599,500	9,636,900	9,636,900	74,800	0.4	4.00	4.00	4.00	0.00	0.0
SEG	<u>1,603,500</u>	<u>1,603,500</u>	<u>1,603,500</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
TOTAL	\$17,110,900	\$17,282,500	\$17,288,200	\$348,900	1.0%	34.00	34.00	34.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$264,700
FED	9,400
PR	<u>74,800</u>
Total	\$348,900

Request adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits (\$126,400 GPR, \$4,700 FED, and \$37,400 PR annually); and (b) full funding of lease and directed moves costs (\$3,100 GPR in 2019-20 and \$8,800 GPR in 2020-21).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Reduce general marketing appropriations, including \$475,000 PR each year previously associated with now-repealed marketing earmarks.	GPR	-\$149,600	-\$149,600
	PR	-475,000	-475,000
	SEG	-77,600	-77,600
2. Reestimate expenditures for memberships and marketing support activities.	PR	-50,000	-50,000
3. Reduce publications.	SEG	-12,100	-12,100
4. Reestimate expenditures previously associated with printing the Wisconsin art and craft fairs directory. Tourism now publishes the directory with funds from other appropriations.	PR	<u>-20,000</u>	<u>-20,000</u>
Total		-\$784,300	-\$784,300
	GPR	(-\$149,600)	(-\$149,600)
	PR	(-\$545,000)	(-\$545,000)
	SEG	(-\$89,700)	(-\$89,700)

TRANSPORTATION

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$111,974,800	\$111,974,800	\$111,974,800	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
FED	901,460,000	891,348,500	886,348,500	- 25,223,000	- 1.4	825.82	825.82	825.82	0.00	0.0
PR	10,428,100	10,885,900	10,886,900	916,600	4.4	18.00	18.00	18.00	0.00	0.0
SEG	1,801,632,500	1,769,175,500	1,790,094,800	- 43,994,700	- 1.2	2,395.29	2,395.29	2,395.29	0.00	0.0
SEG-L	115,325,600	115,325,600	115,325,600	0	0.0	0.00	0.00	0.00	0.00	0.0
SEG-S	103,885,300	99,946,900	99,346,900	- 8,476,800	- 4.1	5.00	5.00	5.00	0.00	0.0
TOTAL	\$3,044,706,300	\$2,998,657,200	\$3,013,977,500	- \$76,777,900	- 1.3%	3,244.11	3,244.11	3,244.11	0.00	0.0%
BR		\$180,803,200								

Major Request Items

Transportation Finance

1. FUND CONDITION STATEMENT

The following table shows the 2019-21 transportation fund condition statement under the Department of Transportation (DOT) budget request. The "General Fund Transfer" amounts are the annual statutory transfers that will be made from the general fund to the transportation fund based on estimated general fund tax revenues under the Department of Administration's (DOA) November 20 report on agency budget requests and revenue estimates. 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.

	<u>2019-20</u>	<u>2020-21</u>
Unappropriated Balance, July 1	\$60,536,100	\$62,704,000
Revenues		
Motor Fuel Tax	\$1,036,985,300	\$1,031,185,300
Vehicle Registration Fees	735,606,700	738,574,400
Less Revenue Bond Debt Service	-224,336,500	-233,431,600
General Fund Transfer	43,530,300	44,504,300
Petroleum Inspection Fund Transfers	60,624,600	55,549,900
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	17,483,400	17,483,400
Investment Earnings	<u>3,000,000</u>	<u>3,000,000</u>
Total Annual Revenues	\$1,798,271,600	\$1,786,027,800
Total Available	\$1,859,807,700	\$1,848,731,800
Appropriations and Reserves		
DOT Appropriations	\$1,768,781,000	\$1,789,700,300
Less Estimated Lapses	-3,000,000	-3,000,000
Compensation and Other Reserves	<u>5,014,200</u>	<u>7,047,800</u>
Other Agency Appropriations	26,308,500	26,571,600
Net Appropriations and Reserves	\$1,797,103,700	\$1,820,319,700
Unappropriated Balance, June 30	\$62,704,000	\$28,412,100

Note: Estimated general fund transfer amounts reflect the estimated changes in general fund tax collections included in DOA's November 20, 2018, report, including proposed 2020-21 tax reductions. DOT appropriations include base debt service appropriations. DOA's 2019-21 budget instructions indicate that general obligation debt service amounts for the biennium will be reestimated by DOA and included in the Governor's budget recommendations.

2. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

Under the Department's request, revenue from the general fund and the petroleum inspection fund (PIF) would be used to support transportation programs. To reflect estimated changes in general fund tax collections included in the DOA's November 20, 2018, report, current law general fund transfers have been adjusted by \$1,933,200 (4.6%) in 2019-20 and by \$2,907,200 (7.0%) in 2020-21 compared to the base year transfer of \$41,597,100.

The Department's request also reflects 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. DOT estimates transfers of \$54,366,100 in 2019-20 and \$49,291,400 in 2020-21. The larger estimated transfer amount in 2019-20 reflects the larger anticipated balance available in the

initial year of the transfer. These transfers would be in addition to the ongoing statutory transfer from the PIF to the transportation fund of \$6,258,500 annually.

Use of Other Funds for Transportation Purposes -- Biennial Comparison

	<u>2017-19</u>	<u>2019-21</u>	<u>Biennial Change</u>	<u>% Change</u>
Current Law*				
<i>General Fund</i>				
0.25% Trans. of General Fund Taxes	\$81,791,800	\$88,034,600	\$6,242,800	7.6%
<i>Petroleum Inspection Fund</i>				
One-time Transfer	\$48,000,000	\$0	-\$48,000,000	-100.0
Annual Transfer Unencumbered Balance	0	103,657,500	103,657,500	
Ongoing Appropriation Transfer	<u>12,517,000</u>	<u>12,517,000</u>	<u>0</u>	<u>0.0</u>
Total	\$60,517,000	\$116,174,500	\$55,657,500	92.0%
Total	\$142,308,800	\$204,209,100	\$61,900,300	43.5%

*Excludes debt service amounts on general fund-supported bonds issued for transportation purposes and other GPR appropriations provided for specific transportation purposes.

3. ALLOCATION OF FEDERAL HIGHWAY AID

Estimate federal highway formula aid at \$793,368,600 in 2019-20 and \$788,368,600 in 2020-21, which represents decreases of \$9,978,000 in 2019-20 and \$14,978,000 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. The estimate reflects uncertainty regarding the amount of federal transportation aid that will be appropriated by the federal government and 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 requested by the Department and the resulting distribution of federal highway formula aid. As shown in the table, the Department's request would primarily increase federal highway aid to the state highway rehabilitation program, while decreasing the amount of federal funds allocated to the major highway development program (with minor adjustments to other appropriation allocations).

Appropriation	Base	Change to Base		Request	
		2019-20	2020-21	2019-20	2020-21
State Highway Rehabilitation	\$426,538,000	\$24,238,900	\$116,238,900	\$450,776,900	\$542,776,900
Major Highway Development	209,694,800	-34,586,400	-131,586,400	175,108,400	78,108,400
Local Transportation Facility Improvement Assistance	72,244,900	-6,400	-6,400	72,238,500	72,238,500
Southeast Freeway Megaprojects	29,324,200	396,700	396,700	29,720,900	29,720,900
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.	<u>1,174,200</u>	<u>-70,200</u>	<u>-70,200</u>	<u>1,104,000</u>	<u>1,104,000</u>
Total	\$803,346,600	-\$9,978,000	-\$14,978,000	\$793,368,600	\$788,368,600

Note: Includes estimated standard budget adjustment amounts.

4. TRANSPORTATION REVENUE BOND AUTHORIZATION

BR	\$180,803,200
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Request increased transportation revenue bond authority of \$180,803,200, reflecting the Department's proposed use of revenue bonds for state highway rehabilitation projects, major highway development projects, and administrative facility construction projects. Expand the use of the transportation revenue bond program to allow for state highway rehabilitation projects as an eligible use of these bond proceeds. Historically, transportation revenue bonds have only been authorized for major highway development projects and the bonds issued for these projects have typically included maturities of up to 20 years. Conversely, the state has issued general obligation bonds with shorter average maturities for state highway rehabilitation projects because these projects tend to have a shorter expected useful life than other types of highway projects.

The Department's request indicates a carry-over balance of \$86,306,000 in unused transportation revenue bond authority will remain available for use in 2019-21. This balance along with DOT's request would result in the availability of \$267,109,200 in ongoing revenue bond authority. Of this total, DOT would use \$133,854,600 in the 2019-21 biennium, as follows: (a) \$2,362,800 in 2019-20 and \$24,062,800 in 2020-21 for the state highway rehabilitation program; (b) \$60,324,500 in 2019-20 and \$38,024,500 in 2020-21 for the major highway development program; and (c) \$4,540,000 annually for administrative facility construction projects. The Department's request indicates that the remaining \$133,254,600 would be used for projects in the 2021-23 biennium that would be initiated, but not completed, in the 2019-21 biennium.

State Highway Program

The following tables compare total funding for state highway improvement programs in 2018-19 with proposed funding for those programs in the 2019-21 biennium. 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. The first table breaks down the total funding for the state highway improvement programs by current appropriations (SEG/FED) and bonding, and shows the proposed change compared to the base year funding doubled, while the second table shows funding for the four individual programs.

State Highway Improvement Program -- Base Year to Agency Request Comparison*

Fund Source	2018-19		2019-20	2020-21	Change to Base Plus Bonds Doubled	
	Base	Plus Bonds			Amount	% Change
SEG	\$421,099,900		\$395,011,300	\$415,611,300	-\$31,577,200	-3.7%
FED	665,557,000		655,606,200	650,606,200	-24,901,600	-1.9
Bonds	<u>192,787,300</u>		<u>62,687,300</u>	<u>62,087,300</u>	<u>-260,800,000</u>	-67.6
Total	\$1,279,444,200		\$1,113,304,800	\$1,128,304,800	-\$317,278,800	-12.4%

*Amounts shown comprise all highway improvement program request items, including standard budget adjustments.

**State Highway Improvement Program Component Summary --
Base Year to Agency Request Comparison***

	2018-19	<u>Request</u>	
	<u>Base Plus Bonds</u>	<u>2019-20</u>	<u>2020-21</u>
State Highway Rehabilitation			
SEG	\$386,111,500	\$364,302,300	\$387,102,300
FED	426,538,000	450,776,900	542,776,900
Trans. Revenue Bonds	<u>0</u>	<u>2,362,800</u>	<u>24,062,800</u>
Total	\$812,649,500	\$817,442,000	\$953,942,000
Major Highway Development			
SEG	\$23,220,500	\$24,567,100	\$23,867,100
FED	209,694,800	175,108,400	78,108,400
Trans. Revenue Bonds	<u>66,587,300</u>	<u>60,324,500</u>	<u>38,024,500</u>
Total	\$299,502,600	\$260,000,000	\$140,000,000
SE Wis. Freeway Megaprojects			
SEG	\$11,767,900	\$6,141,900	\$4,641,900
FED	29,324,200	29,720,900	29,720,900
Gen. Ob. Bonds (GPR)	<u>126,200,000</u>	<u>0</u>	<u>0</u>
Total	\$167,292,100	\$35,862,800	\$34,362,800
Major Interstate Bridge Construction			
SEG	\$0	\$0	\$0
Total	\$1,279,444,200	\$1,113,304,800	\$1,128,304,800

*Amounts shown comprise all highway improvement program request items, including standard budget adjustments.

The following tables compare total funding for state highway improvement programs in the 2017-19 biennium with the Department's 2019-21 budget request. 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 Agency Request Comparison**

<u>Fund Source</u>	<u>2017-19</u>	<u>2019-21 (Request)*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
SEG	\$840,297,000	\$810,622,600	-\$29,674,400	-3.5%
FED	1,525,959,400	1,306,212,400	-219,747,000	-14.4
Bonds	<u>367,220,000</u>	<u>124,774,600</u>	<u>-242,445,400</u>	-66.0
Total	\$2,733,476,400	\$2,241,609,600	-\$491,866,800	-18.0%

**State Highway Improvement Program Component Summary --
2017-19 to Agency Request Comparison**

<u>Fund Source</u>	<u>2017-19</u>	<u>2019-21 (Request)*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
State Highway Rehabilitation				
SEG	\$740,604,700	\$751,404,600	\$10,799,900	1.5%
FED	885,552,500	993,553,800	108,001,300	12.2
Trans. Revenue Bonds	<u>0</u>	<u>26,425,600</u>	<u>26,425,600</u>	
Subtotal	\$1,626,157,200	\$1,771,384,000	\$145,226,800	8.9%
Major Highway Development				
SEG	\$73,543,900	\$48,434,200	-\$25,109,700	-34.1%
FED	375,336,100	253,216,800	-122,119,300	-32.5
Trans. Revenue Bonds	<u>114,820,000</u>	<u>98,349,000</u>	<u>-16,471,000</u>	-14.3
Subtotal	\$563,700,000	\$400,000,000	-\$163,700,000	-29.0%
SE Wis. Freeway Megaprojects				
SEG	\$18,148,400	\$10,783,800	-\$7,364,600	-40.6%
FED	265,070,800	59,441,800	-205,629,000	-77.6
Gen. Ob. Bonds (GPR)	<u>252,400,000</u>	<u>0</u>	<u>-252,400,000</u>	-100.0
Subtotal	\$535,619,200	\$70,225,600	-\$465,393,600	-86.9%
Major Interstate Bridge Construction				
SEG	\$8,000,000	\$0	-\$8,000,000	-100.0%
Total	\$2,733,476,400	\$2,241,609,600	-\$491,866,800	-18.0%

*Amounts shown are inclusive of adjustments to the 2018-19 base and standard budget adjustments.

1. STATE HIGHWAY REHABILITATION PROGRAM

SEG	-\$14,960,800
FED	142,105,600
SEG-S	<u>26,425,600</u>
Total	\$153,570,400

Request the following changes to the state highway rehabilitation program's funding in order to provide a 2019-21 funding level of \$1,771,384,000: (a) a decrease of \$18,880,400 SEG and an increase \$25,052,800 FED in 2019-20; and (b) increases of \$3,919,600 SEG and \$117,052,800 FED in 2020-21. Create a state highway rehabilitation program revenue bond expenditure (SEG-S) appropriation and revenue bond expenditure authority of \$2,362,800 in 2019-20 and \$24,062,800 in 2020-21. [Standard budget adjustment reductions of \$2,928,800 SEG annually and \$813,900 FED annually are reflected in a separate item.]

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 requested by DOT.

**State Highway Rehabilitation Program --
Base Funding to Agency Request Comparison**

<u>Fund</u>	<u>2018-19 Adjusted Base Plus Bonds*</u>	<u>Request**</u>	
		<u>2019-20</u>	<u>2020-21</u>
SEG	\$386,111,500	\$364,302,300	\$387,102,300
FED	426,538,000	450,776,900	542,776,900
Trans. Revenue Bonds	<u>0</u>	<u>2,362,800</u>	<u>24,062,800</u>
Total	\$812,649,500	\$817,442,000	\$953,942,000

* Includes \$2,509,200 SEG and \$2,493,300 FED associated with adjustments to the 2018-19 base funding amount.

** Amounts shown comprise all highway improvement program request items, including standard budget adjustments.

**State Highway Rehabilitation Program Funding --
2017-19 to 2019-21 Agency Request Comparison**

<u>Fund Source</u>	<u>2017-19</u>		<u>Biennial Total</u>
	<u>2017-18</u>	<u>2018-19</u>	
SEG	\$357,002,400	\$383,602,300	\$740,604,700
FED	<u>461,507,800</u>	<u>424,044,700</u>	<u>885,552,500</u>
Total	\$818,510,200	\$807,647,000	\$1,626,157,200

<u>Fund Source</u>	<u>Request - 2019-21*</u>		<u>Biennial Total</u>
	<u>2019-20</u>	<u>2020-21</u>	
SEG	\$364,302,300	\$387,102,300	\$751,404,600
FED	450,776,900	542,776,900	993,553,800
Trans. Revenue Bonds	<u>2,362,800</u>	<u>24,062,800</u>	<u>26,425,600</u>
Total	\$817,442,000	\$953,942,000	\$1,771,384,000

% Change in Resources 8.9%

*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

Request the following changes to the major highway development program's funding in order to provide a 2019-21 funding level of \$400,000,000: (a) an increase of \$1,455,500 SEG and a decrease \$34,345,600 FED in 2019-20; and (b) an increase of \$755,500 SEG and a decrease of \$131,345,600 FED in 2020-21. Reduce

SEG	\$2,211,000
FED	- 165,691,200
SEG-S	- 34,825,600
Total	- \$198,305,800

transportation revenue bond expenditure authority (SEG-S) by \$6,262,800 in 2019-20 and \$28,562,800 in 2020-21. [Standard budget adjustment reductions of \$108,900 SEG annually and \$240,800 FED annually are reflected in a separate item.]

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 requested by DOT.

**Major Highway Development Program --
Base Funding to Agency Request Comparison**

<u>Fund</u>	2018-19 Adjusted <u>Base Plus Bonds*</u>	<u>Request**</u>	
		<u>2019-20</u>	<u>2020-21</u>
SEG	\$23,220,500	\$24,567,100	\$23,867,100
FED	209,694,800	175,108,400	78,108,400
Trans. Revenue Bonds	<u>66,587,300</u>	<u>60,324,500</u>	<u>38,024,500</u>
Total	\$299,502,600	\$260,000,000	\$140,000,000

* Includes \$353,400 SEG and \$518,600 FED associated with adjustments to the 2018-19 base funding amount.

** Amounts shown comprise all highway improvement program request items, including standard budget adjustments.

**Major Highway Development Program Funding --
2017-19 to 2019-21 Agency Request Comparison**

<u>Fund Source</u>	<u>2017-19</u>		
	<u>2017-18</u>	<u>2018-19</u>	<u>Biennial Total</u>
SEG	\$50,676,800	\$22,867,100	\$73,543,900
FED	166,159,900	209,176,200	375,336,100
Trans. Revenue Bonds	<u>48,232,700</u>	<u>66,587,300</u>	<u>114,820,000</u>
Total	\$265,069,400	\$298,630,600	\$563,700,000

<u>Fund Source</u>	<u>Request - 2019-21*</u>		<u>Biennial Total</u>
	<u>2019-20</u>	<u>2020-21</u>	
SEG	\$24,567,100	\$23,867,100	\$48,434,200
FED	175,108,400	78,108,400	253,216,800
Trans. Revenue Bonds	<u>60,324,500</u>	<u>38,024,500</u>	<u>98,349,000</u>
Total	\$260,000,000	\$140,000,000	\$400,000,000

% Change in Resources -29.0%

*Includes \$353,400 SEG and \$518,600 FED annually associated with adjustment to the 2018-19 base funding amount and standard budget adjustments.

3. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS

SEG	- \$12,535,400
FED	<u>1,157,600</u>
Total	- \$11,377,800

Request the following changes to the southeast Wisconsin freeway megaprojects program's funding in order to provide a 2019-21 funding level of \$70,225,600: (a) reductions of \$5,517,700 SEG in 2019-20 and \$7,017,700 SEG in 2020-21; (b) an increase of \$578,800 FED annually. [Standard budget adjustment reductions of \$108,300 SEG annually and \$182,100 FED annually are reflected in a separate item.]

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 requested by DOT.

Southeast Wisconsin Freeway Megaproject Program -- Base Funding to Agency Request Comparison

Fund	2018-19 Adjusted Base Plus Bonds*	Request**	
		2019-20	2020-21
SEG	\$11,767,900	\$6,141,900	\$4,641,900
FED	29,324,200	29,720,900	29,720,900
Gen. Ob. Bonds (GPR)	<u>126,200,000</u>	<u>0</u>	<u>0</u>
Total	\$167,292,100	\$35,862,800	\$34,362,800

* Includes \$107,800 SEG and \$186,100 FED associated with adjustments to the 2018-19 base funding amount.

** Amounts shown comprise all highway improvement program request items, including standard budget adjustments.

Southeast Wisconsin Freeway Megaprojects Program Funding -- 2017-19 to 2019-21 Agency Request Comparison

Fund Source	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)	<u>126,200,000</u>	<u>126,200,000</u>	<u>252,400,000</u>
Total	\$368,621,000	\$166,998,200	\$535,619,200

Fund Source	Request - 2019-21*		
	2019-20	2020-21	Biennial Total
SEG	\$6,141,900	\$4,641,900	\$10,783,800
FED	<u>29,720,900</u>	<u>29,720,900</u>	<u>59,441,800</u>
Total	\$35,862,800	\$34,362,800	\$70,225,600

% Change in Resources -86.9%

*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 \$160.0 million federal INFRA grant provided for use on the I-94 North-South freeway project.

State Patrol

1. EVIDENTIAL BREATH TEST INSTRUMENT REPLACEMENT

PR	\$240,400
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Request \$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. DOT's request indicates 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.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

SEG	- \$18,709,500
FED	- 2,795,000
SEG-S	- 38,400
PR	<u>442,200</u>
Total	- \$21,139,100

Request 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 2017-18 and -\$25,400 SEG in 2018-19).

[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, because the Act 59 funding reduction was a lapse of funds from DOT appropriations and not an ongoing reduction in funding, this should not be included as a standard budget adjustment, but rather should be removed as a budget change decision item, if the reduction is to occur.]

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
Base Level Plan			
Division of Motor Vehicles			
1. Transfer of 6.00 positions to State Patrol and associated funding to align with internal reorganization.	SEG	-\$632,200	-\$632,200
State Patrol			
2. Receive 6.00 positions and associated funding from DMV to align with internal reorganization.	SEG	<u>632,200</u>	<u>632,200</u>
Total		\$0	\$0
5% Budget Reduction Plan			
State Highway Improvement Program			
1. Reduce state highway rehabilitation appropriation	SEG	-\$40,467,200	-\$40,467,200
2. Reduce highway system management and operations appropriation	SEG	-3,929,700	-3,929,700
3. Reduce state-owned lift bridge operations and maintenance appropriation	SEG	-119,000	-119,000
4. Reduce routine maintenance appropriation	SEG	-3,750,000	-3,750,000
5. Reduce intelligent traffic systems and traffic control signals appropriation	SEG	-500,000	-500,000
6. Reduce administration and planning appropriation	SEG	-300,000	-300,000
General Operations			
7. Reduce departmental management and operations appropriation	SEG	-1,763,800	-1,763,800
8. Reduce administrative facility capital improvement appropriation*	SEG-S	-1,000,000	-1,000,000
Division of Motor Vehicles (DMV)			
9. Reduce convenience fee expenditure authority	PR	-5,900	-5,900
10. Reduce repaired salvage vehicle examination expenditure authority	PR	-7,300	-7,300
11. Reduce DMV appropriation for printing and supplies (-\$500,000 annually), transfer 6.00 SEG positions and associated funding (-\$632,000 annually) to State Patrol	SEG	-1,132,200	-1,132,200
State Patrol			
12. Reduce State Patrol appropriation (-\$1,305,600 annually). Net of Item #11, the transferred 6.00 SEG positions and associated funding from DMV (\$632,000) results in a \$673,400 reduction.	SEG	<u>-\$673,400</u>	<u>-\$673,400</u>
Total		-\$53,648,500	-\$53,648,500
	PR	(-\$13,200)	(-\$13,200)
	SEG	(-\$52,635,300)	(-\$52,635,300)
	SEG-S	(-\$1,000,000)	(-\$1,000,000)

* This appropriation expends transportation revenue bond (TRB) proceeds for DOT administrative facilities capital improvements. A corresponding reduction in TRB bond authority would be needed to enact a reduction in expenditure authority for this purposes.

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$1,115,580,000	\$1,146,370,000	\$1,198,947,800	\$114,157,800	5.1%	17,813.49	17,814.49	17,814.49	1.00	0.0%
FED	1,727,779,300	1,727,779,300	1,727,779,300	0	0.0	5,534.53	5,534.53	5,534.53	0.00	0.0
PR	3,335,414,400	3,428,918,900	3,428,918,900	187,009,000	2.8	12,538.79	12,758.63	12,758.63	219.84	1.8
SEG	<u>32,796,300</u>	<u>32,796,300</u>	<u>32,796,300</u>	<u>0</u>	0.0	<u>165.51</u>	<u>165.51</u>	<u>165.51</u>	<u>0.00</u>	0.0
TOTAL	\$6,211,570,000	\$6,335,864,500	\$6,388,442,300	\$301,166,800	2.4%	36,052.32	36,273.16	36,273.16	220.84	0.6%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$5,863,000
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Request adjustments to the agency base budget of \$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. OUTCOMES-BASED FUNDING

GPR	\$82,500,000
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Request \$27,500,000 in 2019-20 and \$55,000,000 annually beginning in 2020-21 for outcomes-based funding measures at UW System institutions. Of this funding, \$1.75 million would be distributed to UW-Extension divisions based on new metrics currently in development. The goals and metrics of the outcomes-based funding formula will be incorporated into UW System's future biennial budget performance measures.

The 2017-19 budget (2017 Act 59) provided \$26.25 million of ongoing funding beginning in 2018-19 to be distributed to UW System institutions for outcomes-based funding. Act 59 established 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. Act 59 also required the Board to develop a formula for distributing the \$26.25 million among the institutions based on each institution's performance with respect to the metrics and submit it to 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.

Under the funding formula proposal approved by the Committee, the starting point for the allocation of the initial \$26.25 million of outcomes-based funding is the share each UW-System institution receives of total GPR/tuition revenues, after removing moneys associated with specific expenditure purposes such as energy costs and debt service. This base of adjusted GPR/tuition revenues will be used to establish each institution's initial percentage share of the outcomes-based funding. Each institution's initial percentage share will be modified by its relative performance on the metrics established under the proposal. Because of the ongoing restructuring of the UW System, UW Colleges and UW-Extension were removed from consideration for the initial outcomes-based funding formula.

3. CAPACITY-BUILDING INITIATIVES

GPR	\$25,000,000
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Request \$25,000,000 beginning in 2020-21 for campus initiatives to address priorities outlined by the Legislature including workforce development, retain/attract talent, entrepreneurship and innovation, and affordability as well as priorities identified by UW System Administration including improve transfer process, increase internship opportunities, and improve graduation rates, retention, and affordability. Each UW-System institution submitted initiatives that fit these priorities. The initiatives include meeting workforce demands through a focus on bolstering programming in the areas of Science, Technology, Engineering and Mathematics (STEM), nursing and healthcare, and business. In addition, the initiatives focus on ways to increase student success such as enhancements to traditional advising, diversity in learning environments, and fostering high impact practices such as critical thinking, communication, and complex problem solving which have been shown to increase rates of student retention and engagement. Under the proposal, UW-Madison would be allocated a maximum of \$9 million, UW-Milwaukee a maximum of \$4.5 million, and the comprehensive universities would be allocated a maximum of \$1.75 million each.

4. REESTIMATE TUITION REVENUES

	Funding	Positions
PR	\$187,009,000	219.84

Request \$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. 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 Finance Committee.

5. STATE LABORATORY OF HYGIENE -- FORENSIC TOXICOLOGY

	Funding	Positions
GPR	\$337,600	1.00

Request \$168,800 annually and 1.0 position beginning in 2019-20 for the State Laboratory of Hygiene's forensic toxicology unit. The 1.0 faculty/scientist position would conduct research on trends in opioids, novel psychoactive substances, and other new and emergent drugs of abuse and assist in the analytical development of methods of identifying these compounds. The position would be located in the toxicology unit and have an academic appointment in the UW School of Medicine and Public Health or another related unit of UW-Madison. The position may include teaching at UW-Madison and partnerships with other UW-Madison faculty and staff for research that would further collective efforts to combat problems associated with opioids and other drugs of abuse.

6. STATE LAB OF HYGIENE RENT

GPR	\$457,200
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Request \$228,600 annually for State Lab of Hygiene (SLH) rental costs. Funding would bring GPR funding to 50% of the rental cost of the DOA facility occupied by the SLH.

In 1999, two divisions of the SLH moved to a DOA facility, and the Legislature authorized a GPR increase to cover 50% of the cost of the SLH's rent. In 2013, this facility was expanded to provide increased room for the SLH. Rent increases since 2013 have resulted in the current GPR funding level falling below the 50% level.

7. UW-SYSTEM REVENUE BONDS AND BUILDING PROJECT MANAGEMENT

Request authority for the Board of Regents to approve and have issued program revenue bonds to fund UW-System program revenue-supported projects and programs. Request authority for the Board of Regents to approve and manage capital projects funded entirely with program revenue bonds, program revenue cash, gifts and grants, other non-GPR funds, or a combination thereof. Authorize the Board of Regents to employ engineering, architectural, or allied services and to expend money for construction purposes for any project managed and overseen by the Board. Require the Board to adopt policies and procedures for the bidding of such projects.

Under current law, UW capital projects that are funded entirely by gifts and grants and let through single prime contracting do not require prior approval by the State Building Commission and are not managed by the Department of Administration. All other UW capital projects with costs of more than \$300,000 require prior approval by the State Building Commission and are managed by the Department of Administration. Under the request, the Board of Regents would issue or have issued program revenue bonds for program-revenue supported projects without approval by the State Building Commission or the Department of Administration and would approve and manage all capital projects that do not include GPR or general fund-supported borrowing.

2015 Act 201 Plans

		<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
		<u>Fund</u>	
5% Budget Reduction Plan			
1.	Reducing the UW GPR general program operations appropriations would result in a reduction in activities funded by that appropriation. Those activities include instruction, research, public service, student services, academic support, farm operations, physical plant operations, institutional support, and services for students and staff. Such a reduction could also result in fewer class sections being offered and extend time to degree.	GPR	-\$43,845,300
2.	Reducing the GPR appropriation for electric energy derived from renewable resources would result in reductions to physical plant operations.	GPR	-218,400
3.	Reducing the GPR appropriation for the Tommy Thompson Center on Public Leadership would result in a reduction to public service.	GPR	-75,000
4.	Reducing the GPR appropriation for graduate psychiatric nursing education would result in a reduction to instruction.	GPR	-12,500
5.	Reducing the GPR appropriation for the State Laboratory of Hygiene would result in a reduction in services provided and general public health support.	GPR	-568,500
6.	Reducing the GPR appropriation for the Veterinary Diagnostic Laboratory would result in a reduction in veterinary diagnostic services.	GPR	-258,400
7.	Reducing the UW System's PR general program operations appropriation would result in a reduction in activities funded by that appropriation. Those activities include instruction, research, public service, student services, academic support, farm operations, auxiliary operations, physical plant operations, institutional support, and services for students and staff. As this appropriation includes tuition revenues which are used to fund instruction, such a reduction could also result in fewer class sections being offered and extend time to degree.	PR	-125,277,300
8.	Reducing the UW System's appropriation for gifts and nonfederal grants and contracts would result in a reduction in activities funded by that appropriation. Those activities include instruction, research, public service, student services, academic support, farm operations, physical plant operations, and institutional support.	PR	-30,694,100
9.	Reducing the PR appropriation for the State Laboratory of Hygiene would result in a reduction in services provided and general public health support.	PR	-1,044,400

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
10. Reducing the amount of the driver improvement surcharge that is transferred to the State Laboratory of Hygiene would result in a reduction in services provided and general public health support.	PR	-\$81,000	-\$81,000
11. Reducing the PR appropriation for the Veterinary Diagnostic Laboratory would result in a reduction in veterinary diagnostic services.	PR	-222,300	-222,300
12. Reducing the UW System's appropriation for funds transferred from other state agencies would result in a reduction in research, public service, and student services activities and a reduction in services provided to the University of Wisconsin Hospitals and Clinics Authority.	PR	-1,891,600	-1,891,600
13. Reducing the amount transferred from the universal service fund to fund telecommunications services at UW institutions would result in a reduction in academic support activities and services provided for students and staff.	SEG	-52,700	-52,700
14. Reducing the amount transferred from the critical access hospital fund for the rural residency assistance program would result in a reduction in public service activities	SEG	-43,000	-43,000
15. Reducing the UW System's appropriation for trust fund income would reduce its research and public service activities.	SEG	<u>-1,496,900</u>	<u>-1,496,900</u>
Total		-\$205,781,400	-\$205,781,400
	GPR	(-\$44,978,100)	(-\$44,978,100)
	PR	(-\$159,210,700)	(-\$159,210,700)
	SEG	(-\$1,592,600)	(-\$1,592,600)

VETERANS AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$1,934,300	\$3,081,100	\$3,111,100	\$2,323,600	60.1%	0.00	10.00	10.00	10.00	N.A.
FED	2,889,100	2,963,500	2,963,500	148,800	2.6	16.50	16.50	16.50	0.00	0.0%
PR	112,888,400	113,845,800	113,850,400	1,919,400	0.9	1,147.30	1,147.08	1,147.08	- 0.22	0.0
SEG	<u>21,883,700</u>	<u>21,703,600</u>	<u>21,753,400</u>	<u>- 310,400</u>	- 0.7	<u>97.90</u>	<u>98.12</u>	<u>98.12</u>	<u>0.22</u>	0.2
TOTAL	\$139,595,500	\$141,594,000	\$141,678,400	\$4,081,400	1.5%	1,261.70	1,271.70	1,271.70	10.00	0.8%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request a reduction of \$301,000 (\$74,400 FED, -\$172,100 PR, and -\$203,300 SEG) in 2019-20 and a reduction of \$246,700 (\$74,400 FED, -\$167,600 PR, and -\$153,500 SEG) in 2020-21 to reflect the following standard budget adjustments: (a) -\$504,000 PR and -\$129,200 SEG annually for turnover reduction; (b) \$74,400 FED, -\$2,955,000 PR, and -\$110,300 SEG annually for full funding of continuing position salaries and fringe benefits; (c) \$1,092,500 PR annually for overtime; (d) \$2,191,200 PR annually for night and weekend differential pay; and (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.

FED	\$148,800
PR	- 339,700
SEG	<u>- 356,800</u>
Total	- \$547,700

2. STATE VETERANS HOMES -- CONTRACTED NURSE STAFFING

Request \$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 Department contracts with agencies to provide nurse staff services to supplement nurse services provided by DVA's staff.

PR	\$1,500,000
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3. VETERANS OUTREACH AND RECOVERY

Request \$1,146,800 in 2019-20 and \$1,176,800 in 2020-21 and 10.0 positions, beginning in 2019-20, to continue and expand the veterans outreach and recovery program (VORP). The program provides outreach, treatment, and support to veterans with behavioral health conditions. The program was initially established in 2015, supported by a one-time federal grant, which expired in 2017. With the passage of 2017 Act 295, the Legislature

	Funding	Positions
GPR	\$2,323,600	10.00

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 funding and position authority is not included in the agency's 2019-20 base.

This item would repeal the sunset provision and increase the current number of positions from 8.0 to 10.0, as permanent rather than project positions. The two additional positions would be used for an additional mental health social worker and for an additional case manager to meet demand for services in the Milwaukee area. Relative to the current program, the Department's request would also increase supplies and services funding by \$333,500, to meet the need for additional direct inpatient and outpatient mental health costs provided through the program.

4. VETERANS HOME AT UNION GROVE -- MAINTENANCE AND REPAIR PR \$300,000

Request \$150,000 annually to fund unexpected maintenance and repair projects at the Veterans Home at Union Grove.

5. BIOMEDICAL EQUIPMENT -- MAINTENANCE, INSPECTION, AND MINOR REPAIRS PR \$291,400

Request \$145,700 annually to fund a contracted maintenance, inspection, and minor repairs of biomedical equipment at the Wisconsin Veterans Home at King.

6. SUM SUFFICIENT BENEFITS SUPPLEMENT APPROPRIATION

Request the creation of a sum sufficient GPR appropriation which would fund any general veterans benefit program deficiencies. The Department's budget request does not include a funding estimate in the appropriation (the Chapter 20 appropriation schedule would show \$0), but as a sum sufficient appropriation, the amount shown would not limit expenditures.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
Base Level Plan			
1. Reduce Veterans Museum Operations	GPR	-\$137,600	-\$137,600
2. Reduce Veterans Museum Operations	SEG	-\$223,500	-\$223,500
Total		-\$361,100	-\$361,100
	GPR	(-\$137,600)	(-\$137,600)
	SEG	(-\$223,500)	(-\$223,500)

	<u>Fund</u>	<u>Amount</u>	
		<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Discontinue operating assisted living facilities at Union Grove	PR	-\$2,591,300	-\$2,591,300
2. Discontinue operating the State Veterans Museum	GPR	-248,500	-248,500
3. Discontinue operating the State Veterans Museum	SEG	-3,576,800	-3,576,800
4. Reduce funding for administration of the Department's loan program	SEG	<u>-237,600</u>	<u>-237,600</u>
Total		-\$6,654,200	-\$6,654,200
	GPR	(-\$248,500)	(-\$248,500)
	PR	(-\$2,591,300)	(-\$2,591,300)
	SEG	(-\$3,814,400)	(-\$3,814,400)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary					FTE Position Summary		
	2018-19	<u>Request</u>		2019-21 Change Over		There are no authorized state positions for the Wisconsin Economic Development Corporation.	
Fund	Adjusted Base	2019-20	2020-21	Base Year Doubled	Amount		%
GPR	\$15,350,700	\$20,350,700	\$20,350,700	\$10,000,000	32.6%		
SEG	<u>26,200,000</u>	<u>26,200,000</u>	<u>26,200,000</u>	<u>0</u>	0.0		
TOTAL	\$41,550,700	\$46,550,700	\$46,550,700	\$10,000,000	12.0%		

Major Request Item

1. TALENT ATTRACTION AND RETENTION INITIATIVES

GPR	\$10,000,000
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Convert the Wisconsin Economic Development Corporation's (WEDC's) existing continuing appropriation for talent attraction and retention initiatives to an annual appropriation and provide \$5,000,000 annually. According to WEDC, it spent \$1,200,000 of its \$6,800,000 continuing appropriation in 2017-18 and intends to spend down all remaining funds (\$5,600,000) in 2018-19.

2015 Act 201 Plans

		<u>Amount</u>	
Base Level Plan	<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
1. Increase funding for talent and retention programs	GPR	\$5,000,000	\$5,000,000
2. WEDC states that it would manage its resources within its budget parameters	GPR	<u>-5,000,000</u>	<u>-5,000,000</u>
Total		\$0	\$0
5% Budget Reduction Plan			
1. Increase funding for talent and retention programs	GPR	\$5,000,000	\$5,000,000
2. WEDC states that it would manage its resources within its budget parameters	GPR	<u>-7,027,500</u>	<u>-7,027,500</u>
Total		-\$2,027,500	-\$2,027,500

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Major Request Item

1. STATE INCOME TAX EXEMPTION FOR BONDS OF \$35 MILLION OR LESS

Request a statutory change to provide that the interest income received by individuals, corporations, and insurers on bonds or notes totaling \$35 million or less issued by WHEFA be exempt from Wisconsin taxation.

Funds for projects financed by WHEFA are obtained through the sale of revenue bonds of WHEFA. Bond sale proceeds are loaned by WHEFA to the borrowing institution or project sponsor. No state or other public funds are used. The Authority's bonds are payable solely out of loan repayments from the borrowing institution, sponsor or guarantor. Under current law, interest paid on WHEFA bonds is exempt from federal income taxation but is not exempt from Wisconsin taxation, except in certain cases or unless an exemption is available on bonds eligible to be issued for the same purpose by another Wisconsin entity. The Authority indicates that this statutory change would lower the annual borrowing cost for small non-profits, especially those in rural areas, by approximately 0.05% to 0.15% per year. The Authority estimates this exemption would result in a loss of state revenue of between \$35,000 and \$150,000 in the first year and \$75,000 to \$300,000 in the second year depending on the percentage of bond purchasers who are Wisconsin residents.

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$519,607,900	\$531,759,300	\$543,765,300	\$36,308,800	3.5%	23.25	23.25	23.25	0.00	0.0%
FED	32,893,200	33,003,100	33,009,100	225,800	0.3	26.75	26.75	26.75	0.00	0.0
PR	4,596,800	4,683,500	4,627,300	117,200	1.3	6.00	5.00	5.00	- 1.00	- 16.7
TOTAL	\$557,097,900	\$569,445,900	\$581,401,700	\$36,651,800	3.3%	56.00	55.00	55.00	- 1.00	-1.8%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling \$151,400 GPR, \$109,900 FED, and \$86,700 PR in 2019-20 and \$157,400 GPR, \$115,900 FED, and \$30,500 PR in 2020-21 and -1.0 PR

	Funding	Positions
GPR	\$308,800	0.00
FED	225,800	0.00
PR	117,200	- 1.00
Total	\$651,800	- 1.00

position annually for: (a) remove noncontinuing elements from the base (-1.0 PR position annually); (b) full funding of continuing position salaries and fringe benefits (\$147,800 GPR and \$106,300 FED annually; and \$85,800 PR in 2019-20 and \$28,200 PR in 2020-21); 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

GPR	\$36,000,000
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Request an increase of \$12,000,000 in 2019-20 and \$24,000,000 in 2020-21 in the appropriation for state general aid for technical colleges. Base level funding is equal to \$88,534,900 GPR.

2015 Act 201 Plans

		<u>Amount</u>	
	<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Reduce funding for text materials.	PR	-\$115,500	-\$115,500
2. Reduce funding for auxiliary services.	PR	-15,200	-15,200
3. Reduce funding for services for district boards.	PR	-15,800	-15,800
4. Reduce funding for interagency and intra-agency programs.	PR	<u>-57,900</u>	<u>-57,900</u>
Total		-\$204,400	-\$204,400

WORKFORCE DEVELOPMENT

Budget Summary						FTE Position Summary				
Fund	2018-19 Adjusted Base	Request		2019-21 Change Over Base Year Doubled		2018-19	Request		2020-21 Over 2018-19	
		2019-20	2020-21	Amount	%		2019-20	2020-21	Number	%
GPR	\$46,379,200	\$74,906,200	\$49,926,000	\$32,073,800	34.6%	150.82	153.82	153.82	3.00	2.0%
FED	207,411,600	202,632,700	201,644,000	- 10,546,500	- 2.5	1,167.18	1,164.18	1,164.18	- 3.00	- 0.3
PR	76,712,400	77,390,900	77,474,300	1,440,400	0.9	218.25	219.25	219.25	1.00	0.5
SEG	<u>25,033,500</u>	<u>25,666,800</u>	<u>25,678,200</u>	<u>1,278,000</u>	2.6	<u>72.80</u>	<u>72.80</u>	<u>72.80</u>	<u>0.00</u>	0.0
TOTAL	\$355,536,700	\$380,596,600	\$354,722,500	\$24,245,700	3.4%	1,609.05	1,610.05	1,610.05	1.00	0.1%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget of \$3,422,400 and -3.0 positions in 2019-20, and \$3,569,000 and -3.0 positions in 2020-21. The adjustments are for: (a) turnover reduction (-\$226,100 GPR, -\$1,689,200 FED, -\$446,800 PR, and -\$89,300 SEG annually); (b) removal of noncontinuing elements from the base (-\$347,400 FED and -3.0 FED positions in 2019-20 and -\$372,700 FED and -3.0 FED positions 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).

	Funding	Positions
GPR	\$1,073,800	0.00
FED	3,472,200	- 3.00
PR	1,167,400	0.00
SEG	<u>1,278,000</u>	<u>0.00</u>
Total	\$6,991,400	- 3.00

2. WISCONSIN CAREER CREATOR

Request \$20,110,000 in 2019-20 and \$110,000 in 2020-21 and the addition of 1.0 position to provide funding for the Department's career creator workforce development initiative. The Department of Workforce Development (DWD) would allocate \$14,000,000 in 2019-20 to competitively award grants to the UW System, Wisconsin Technical College System (WTCS), and the Wisconsin Association of Independent Colleges and Universities (WAICU) to: (a) expand dual enrollment course offerings (\$5,000,000); (b) provide training and education scholarships in high-demand industries (\$7,000,000); and (c) recruit, retain and credential hard-to-serve populations (\$2,000,000).

	Funding	Positions
GPR	\$20,220,000	1.00

Further, DWD would allocate \$6,000,000 in 2019-20 to support workforce development programs that would include: (a) developing two advanced manufacturing sector centers, one

proposed for the Milwaukee area and a second in the Wausau/north central area; (b) creating a youth pre-apprenticeship program for middle school students; (c) purchasing additional mobile job centers; (d) preparing incarcerated individuals for the workforce; and (e) expanding a veteran training program to include the participation of the general public. Funding would be provided to DWD's continuing worker training and employment appropriation.

The remaining \$110,000 annually would fund 1.0 permanent position to support the administration of the programs created under this provision. Position authority and ongoing funding for the position would be provided to DWD's general program operations annual appropriation.

2017 Wisconsin Act 58, which primarily created state incentives for a business (Foxconn) in an electronics and information technology manufacturing zone, also created a continuing GPR appropriation under DWD for a worker training and employment program. Act 58 directs the Department to allocate \$20,000,000 from the appropriation in the 2019-21 biennium to provide funding, through grants or other means, to facilitate worker training and employment in the state. The Act provided no funding for the program in the 2017-19 biennium. Therefore, funding would have to be appropriated in the 2019-21 biennium to implement the Act 58 provisions.

3. WISCONSIN FAST FORWARD

GPR	\$10,000,000
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Request an increase of \$5,000,000 in 2019-20 to the Department's continuing workforce training; programs, grants, and services ("Fast Forward") appropriation. Request that the additional funds may be used to provide funding to programs identified by DWD that grow, retain, or attract labor force participants by serving various unemployed and underemployed individuals, as well as new hires and incumbent workers.

Additionally, request an increase of \$2,500,000 each year to the Fast Forward appropriation to provide grants to address employment transportation needs of workers and employers. Currently, DWD and the Department of Transportation are pooling funding between the two agencies to make competitive grants to local government, nonprofit and business partnerships that provide transportation services to workers, targeted at low-income and disabled customers. For 2018-19, DWD awarded 23 grants totaling \$4,338,400, while DOT made six grants totaling \$832,100. The DWD awards were made from the unencumbered balance in the Department's Fast Forward continuing appropriation.

Under current law, DWD may grant amounts to any of the following programs from the Department's Fast Forward continuing appropriation: youth apprenticeship grants, youth summer jobs programs, employment transit assistance grants, standard and expanded workforce training program grants, teacher development program grants, mobile classrooms, career and technical education incentive grants, technical education equipment grants, and various DWD-administered apprenticeship programs. Base level funding for the Department's Fast Forward appropriation is \$13.6 million each year, or \$27.2 million on a biennial basis. DWD was appropriated \$39.7 million in funding for Fast Forward programs in the 2017-19 biennium. Under the request, DWD is seeking funding of \$37.2 million for Fast Forward programs for the 2019-21 biennium. (A separate request would seek to place funding for career and technical education incentive grants, currently

\$3.5 million each year in the existing Fast Forward appropriation, in a separate appropriation.)

4. VETERAN OUTREACH PROGRAM

	Funding	Positions
GPR	\$780,000	2.00

Request \$390,000 annually and 2.0 positions to support the administration of veteran recruitment and training services and travel and maintenance costs associated with Department's mobile training lab. According to DWD, \$240,000 annually would be allocated to support the additional 2.0 FTE for veteran outreach and recruitment, \$100,000 annually would be made available to serve in-state veterans not otherwise eligible for services under the Jobs for Veterans State Grants federal grant program, and \$50,000 annually would be used for maintenance and travel costs associated with a mobile lab used for outreach and recruitment services to veterans. Funding would be provided to DWD's general program operations annual appropriation.

2017 Wisconsin Act 318 required the Wisconsin Economic Development Corporation (WEDC) to collaborate with state agencies to develop and implement initiatives for attracting and retaining workers in Wisconsin. The Act provided WEDC with \$6.8 million GPR in 2017-18 to pay for the initiative. At the time of passage, WEDC's budget for the \$6.8 million project included \$300,000 in 2017-18 to create a mobile, on-site recruitment station in conjunction with DWD. A portion of DWD's request for \$390,000 in base funding and 2.0 positions would be used to staff and administer veteran outreach and recruitment programs based from this mobile recruitment station.

5. REESTIMATE FEDERAL APPROPRIATIONS

FED	- \$14,018,700
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Request adjustments of -\$6,487,900 in 2019-20 and -\$7,530,800 in 2020-21. The adjustments are to align expenditure authority with the amount of revenue that DWD estimates will be deposited into those appropriations. The Department requests adjustments to the following federal appropriations:

DWD Federal Reestimates

<u>Appropriation</u>	<u>2019-20</u>	<u>2020-21</u>
Workforce investment and assistance	-\$2,904,400	-\$2,904,400
Unemployment administration	1,264,500	1,208,800
Vocational rehabilitation project aids	<u>-4,848,000</u>	<u>-5,835,200</u>
Total	-\$6,487,900	-\$7,530,800

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2019-20</u>	<u>2020-21</u>
5% Budget Reduction Plan			
1. Reestimate expenditures due to a change in DOA's billing practices.	PR	-\$4,210,000	-\$4,210,000
2. Reestimate expenditures due to a lower unemployment rate in Wisconsin resulting in lower revenues from penalties for improper unemployment insurance benefits.	PR	-728,200	-728,200
3. Reestimate expenditures for services from outside entities.	PR	<u>-190,000</u>	<u>-190,000</u>
Total		-\$5,128,200	-\$5,128,200