

# AGRICULTURE, TRADE AND CONSUMER PROTECTION

<b>Budget Summary</b>							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	2023-25 Legislature	2023-25 Act 19	Act 19 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$61,674,200	\$112,024,200	\$75,457,700	\$75,457,700	\$75,457,700	\$13,783,500	22.3%
FED	23,398,800	23,671,200	23,545,600	23,545,600	23,545,600	146,800	0.6
PR	62,124,800	68,375,600	67,601,800	67,601,800	67,601,800	5,477,000	8.8
SEG	<u>73,647,800</u>	<u>88,887,600</u>	<u>83,167,300</u>	<u>83,167,300</u>	<u>83,167,300</u>	<u>9,519,500</u>	12.9
<b>TOTAL</b>	<b>\$220,845,600</b>	<b>\$292,958,600</b>	<b>\$249,772,400</b>	<b>\$249,772,400</b>	<b>\$249,772,400</b>	<b>\$28,926,800</b>	<b>13.1%</b>
BR		\$7,000,000	\$0	\$0	\$0		

<b>FTE Position Summary</b>						
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	2024-25 Legislature	2024-25 Act 19	Act 19 Change Over 2022-23 Base
GPR	201.40	214.90	201.40	201.40	201.40	0.00
FED	91.52	90.77	88.77	88.77	88.77	- 2.75
PR	217.87	222.62	218.62	218.62	218.62	0.75
SEG	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>0.00</u>
<b>TOTAL</b>	<b>641.29</b>	<b>658.79</b>	<b>639.29</b>	<b>639.29</b>	<b>639.29</b>	<b>- 2.00</b>

## Budget Change Items

### Departmentwide

#### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	- \$54,200	- \$270,000	- \$324,200
FED	1,078,200	- 125,600	952,600
PR	1,073,200	- 246,400	826,800
SEG	<u>403,400</u>	<u>0</u>	<u>403,400</u>
<b>Total</b>	<b>\$2,500,600</b>	<b>- \$642,000</b>	<b>\$1,858,600</b>

**Governor:** Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$202,600 GPR, -\$94,400 FED and -\$184,700 PR annually); (b) removal of non-continuing elements from the base (-\$265,800 FED in 2024-25); (c) full funding of continuing position salaries and fringe benefits (\$399,000 GPR, \$793,100 FED, \$723,000 PR, and \$196,000 SEG annually); (d) reclassifications and semi-automatic pay progression (\$4,800 GPR annually, \$51,100 PR in 2023-24 and \$56,900 PR in 2024-25, and \$76,100 SEG in 2023-24 and \$81,700 SEG in 2024-25); and (e) full funding of lease and directed move costs (-\$176,300 GPR, -\$22,100 FED, -\$33,200 PR, and -\$54,400 SEG in 2023-24 and -\$280,300 GPR, -\$31,300 FED, -\$78,200 PR, and -\$92,000 SEG in 2024-25).

**Joint Finance/Legislature:** Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$135,000 GPR, -\$123,200 PR, and -\$62,800 FED annually.

**2. BUREAU OF LABORATORY SERVICES [LFB Paper 170]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding Positions</b>		<b>Funding Positions</b>		<b>Funding Positions</b>	
GPR	\$696,000	0.00	-\$696,000	0.00	\$0	0.00
PR	367,400	1.00	864,600	-1.00	1,232,000	0.00
SEG	<u>0</u>	<u>0.00</u>	<u>360,000</u>	<u>0.00</u>	<u>360,000</u>	<u>0.00</u>
Total	\$1,063,400	1.00	\$528,600	-1.00	\$1,592,000	0.00

**Governor:** Provide \$375,000 GPR and \$74,200 PR in 2023-24 and \$321,000 GPR and \$93,200 PR in 2024-25 with 1.0 PR position to support additional staff and equipment acquisition within the Bureau of Laboratory Services (BLS). Additionally, provide \$100,000 PR each year for general operations and services.

BLS analyzes samples gathered during inspections and regulatory actions under the food safety and agrichemical management programs. The Bureau charges Department programs for its services, with the charges reflected as expenditures to those programs and as revenues to the laboratory. Funding of \$74,200 PR in 2023-24 and \$93,200 PR in 2024-25 would be directly associated with the 1.0 PR position, while \$100,000 PR each year would support additional general costs of laboratory operations. Additional base funding of \$300,000 GPR each year would be used to support replacement of instruments and equipment. In addition, the Department intends to use \$54,000 GPR in one-time funding in 2023-24 to purchase wireless temperature monitoring equipment, and use \$21,000 GPR each year for maintenance of the wireless monitoring system.

**Joint Finance/Legislature:** Modify funding to provide the following from BLS general operations PR: (a) \$600,000 PR in 2023-24 to support equipment acquisition and maintenance; (b) \$54,000 PR in 2023-24 for wireless temperature monitoring equipment; and (c) \$21,000 PR each year of the biennium for maintenance of the wireless temperature monitoring system. Provide funding in programs outside of BLS as follows to cover lab-assessed costs of equipment: (a) \$349,500 in 2023-24 and \$10,500 in 2024-25 from the segregated agrichemical management

(ACM) fund; and (b) \$325,500 PR in 2023-24 and \$10,500 PR in 2024-25 from fees on regulation of food, lodging, and recreational facilities.

Additionally, include the provision for \$100,000 PR each year to support maintenance and general laboratory operations within BLS. Funding in programs outside of BLS would consist of: (a) \$52,000 each year from agricultural management SEG; and (b) \$48,000 each year from fees on food, lodging, and recreational facilities. [See "Agriculture, Trade and Consumer Protection -- Regulatory Programs."]

### 3. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$226,800	- \$226,800	\$0
SEG	<u>34,200</u>	<u>- 34,200</u>	<u>0</u>
Total	\$261,000	- \$261,000	\$0

**Governor:** Provide \$113,400 GPR and \$17,100 SEG annually to increase agency supplies and services funding. According to the Administration, the amounts represent a 5% increase to supplies and services funding for certain annual GPR and SEG state operations appropriations. The proposed increases would be provided to appropriations that meet the following criteria: (a) in 2021-22, the agency expended 95% or more of the amount budgeted for supplies and services; and (b) for the 2023-25 biennium, no other additional supplies and services funding is being proposed for a similar purpose.

#### State Operations Adjustments

<u>Fund</u>	<u>Appropriation</u>	<u>Annual Adjustment</u>
GPR	General program operations; central administrative services	\$72,200
GPR	Livestock premises registration	17,500
GPR	General program operations; animal health services	16,700
GPR	General program operations; agricultural resource management	7,000
SEG	Soil and water administration; environmental fund	<u>17,100</u>
Total		\$130,500

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

**4. TRIBAL LIAISON POSITION**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$149,900	1.00	-\$149,900	- 1.00	\$0	0.00

**Governor:** Provide \$64,200 in 2022-23 and \$85,700 in 2023-24 and 1.0 position annually to create an agency tribal liaison position. The agency tribal liaison would be responsible for working with Native American tribes and bands on behalf of the agency, as well as coordinating with the Director of Native American Affairs in the Department of Administration. [See "Administration -- General Agency Provisions."]

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

**5. EQUITY OFFICER POSITION**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$86,400	0.50	-\$86,400	- 0.50	\$0	0.00

**Governor:** Provide \$37,800 in 2023-24 and \$48,600 in 2024-25 and 0.5 position annually to create an agency equity officer position. The agency equity officer would be responsible for collaborating with the chief equity officer in the Department of Administration and with other agency equity officers to identify opportunities to advance equity in government operations. [See "Administration -- General Agency Provisions."]

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

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

PR	\$300,000
----	-----------

**Governor/Legislature:** Provide \$150,000 in each of 2023-24 and 2024-25 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 budgeted amounts for computer system equipment, staff, and services are \$3,871,600 in 2023-24 and \$3,868,900 in 2024-25.

**7. DEBT SERVICE REESTIMATE [LFB Paper 106]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	-\$25,600	- \$145,300	- \$170,900
SEG	<u>1,061,800</u>	<u>- 84,200</u>	<u>977,600</u>
Total	\$1,036,200	- \$229,500	\$806,700

**Governor:** Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously issued general obligation bonds: (a) -\$100 GPR in 2023-24 and -\$500 GPR in 2024-25 for bonds issued for past upgrades to the Wisconsin Veterinary Diagnostic Laboratory (WVDL); (b) \$61,600 GPR in 2023-24 and -\$86,600 GPR in 2024-25 for bonds issued for landowner cost-sharing and enrollment incentive payments under the Conservation Reserve Enhancement Program (CREP), a state-federal land and water conservation program; and (c) \$203,400 SEG in 2023-24 and \$858,400 SEG in 2024-25 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to landowners for structural best management practices installed under the soil and water resource management (SWRM) program.

Under the bill, debt service is budgeted as follows: (a) for the WVDL, \$700 GPR in 2023-24 and \$300 GPR in 2024-25; (b) for CREP, \$1,060,600 GPR in 2023-24 and \$912,400 GPR in 2024-25; and (c) for SWRM grants, \$4,943,700 SEG in 2023-24 and \$5,598,700 SEG in 2024-25.

**Joint Finance/Legislature:** Reestimate an additional -\$78,200 GPR in 2023-24 and -\$67,100 GPR in 2024-25 for CREP debt service, and -\$61,400 SEG in 2023-24 and -\$22,800 SEG in 2024-25 for SWRM debt service. Under Joint Finance action, debt service is budgeted as follows: (a) for WVDL upgrades, \$700 GPR in 2023-24 and \$300 GPR in 2024-25; (b) for CREP, \$982,400 GPR in 2023-24 and \$845,300 GPR in 2024-25; and (c) for SWRM grants, \$4,882,300 SEG in 2023-24 and \$5,575,900 SEG in 2022-23.

**8. POSITION REALIGNMENT**

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

	<b>Funding</b>	<b>Positions</b>
GPR	- \$5,000	0.00
FED	- 162,800	- 0.75
PR	159,200	0.75
SEG	<u>2,200</u>	<u>0.00</u>
Total	- \$6,400	0.00

## DATCP Position Realignment

<u>Division/Appropriation</u>	<u>Fund</u>	<u>Annual Funding</u>	<u>Positions 2023-25</u>
<b><i>Food and Recreational Safety</i></b>			
Food inspection	GPR	-\$77,700	-0.75
<b><i>Animal Health</i></b>			
General program operations	GPR	10,900	0.15
<b><i>Trade and Consumer Protection</i></b>			
Public warehouse regulation	PR	-22,500	-0.25
Dairy trade regulation	PR	-45,100	-0.50
Grain inspection and certification	PR	-184,400	-2.00
Weights and measures inspection	PR	107,100	1.25
Federal funds; weights and measures	FED	-70,700	-1.00
Unfair Sales Act enforcement	SEG	-22,500	-0.25
Telephone solicitation regulation	PR	69,900	0.75
<b><i>Agricultural Development</i></b>			
General program operations	GPR	64,300	0.60
Federal funds; Wisconsin Farm Center	FED	-11,100	-0.10
<b><i>Agricultural Resource Management</i></b>			
Related services	PR	187,100	2.00
Industrial hemp	PR	-187,100	-2.00
Agricultural resource management services	PR	-23,600	-0.25
Soil and water administration	SEG	23,600	0.25
<b><i>Management Services</i></b>			
Computer system equipment, staff, and services	PR	178,200	1.75
Indirect cost reimbursements	FED	400	0.35
Total		-\$3,200	0.00

The transfers would result in a net change of \$3,200 annually and affect funds by source annually as follows: (a) -\$2,500 GPR; (b) \$79,600 PR with 0.75 positions; (c) -\$81,400 FED with -0.75 positions; and (d) \$1,100 SEG.

### 9. PROGRAM REVENUE REESTIMATES

PR	- \$57,000
----	------------

**Governor/Legislature:** Reestimate the program revenue appropriation associated with the former industrial hemp program by -\$28,500 per year. Beginning on January 1, 2022, administration of the Wisconsin hemp program was transferred from DATCP to the U.S. Department of Agriculture (USDA). This provision and others in separate items would delete all base funding budgeted for the industrial hemp program.

### 10. FEDERAL REVENUE REESTIMATES

FED	- \$643,000
-----	-------------

**Governor/Legislature:** Reestimate federal funds for the Division of Agricultural Development by -\$321,500 each year. The affected appropriation receives funds primarily associated with the federal Specialty Crop Block Grant program and other market development grants for certain crops.

## 11. DELETE VACANT POSITIONS

**Joint Finance/Legislature:** Delete 2.0 positions vacant for more than 18 months under the Department's federal funds appropriations for food safety and central administrative services.

Positions	
FED	- 2.00

## Agricultural Assistance

### 1. AGRICULTURAL ASSISTANCE GRANT PROGRAMS [LFB Papers 175 thru 178]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$35,000,000	- \$32,800,000	\$2,200,000

**Governor:** Provide \$17,500,000 each year of the 2023-25 biennium for various agricultural assistance programs, allocated as listed below. Consolidate existing appropriations for Buy Local, Buy Wisconsin grants (\$200,000 each year), dairy processor grants (\$200,000 each year), meat processing facility grants (\$200,000 each year), and the dairy producer loan and grant program (no base funding), in an existing biennial grants and loans appropriation, and expand the purposes of the appropriation to include the programs created as described in the subsequent paragraphs. While the bill provides an intended allocation for each grant program as shown in the table below, the new appropriation does not establish limitations on use of funding for these programs, and DATCP would retain discretion to allocate funding among these programs.

### Agricultural Assistance Grants

	Base	Governor		Biennium
		2023-24	2024-25	
Food Security Grant Program		\$15,000,000	\$15,000,000	\$30,000,000
Meat Processor Grant Program	\$200,000	1,000,000	1,000,000	2,000,000
Dairy Processor Grant Program	200,000	1,000,000	1,000,000	2,000,000
Value-Added Agriculture Program		400,000	400,000	800,000
Buy Local, Buy Wisconsin	200,000	200,000	200,000	400,000
Farm-to-Fork Grant Program		200,000	200,000	400,000
Something Special from Wisconsin		200,000	200,000	400,000
Farm Business Consultant Grants		100,000	100,000	200,000
Total	\$600,000	\$18,100,000	\$18,100,000	\$36,200,000
Increase over Base		17,500,000	17,500,000	35,000,000

*Food Security Grant Program.* Allocate \$15,000,000 each year for grants to eligible

nonprofit food assistance organizations to support the purchase of food products made or grown in Wisconsin. Eligible organizations would include food banks, food pantries, and other nonprofit organizations that provide food assistance. Funding for the Food Security Initiative has previously been provided by: (a) \$25 million in federal relief funds allocated by the Governor under the Coronavirus Aid, Relief, and Economic Security (CARES) Act; and (b) \$40 million allocated from the State Fiscal Recovery Fund (SFRF) under the federal American Rescue Plan Act (ARPA).

*Meat Processor Grant Program.* Provide an additional \$800,000 each year of the 2023-25 biennium for grants to facilities that slaughter animals for human consumption, or that process meat or meat products, excluding rendering plants, to promote the growth of the meat industry in Wisconsin. Under 2021 Act 58 and subsequent action by the Joint Committee on Finance, a biennial appropriation allocating \$200,000 GPR each year was created for meat processing grants. In addition to state funding, \$10 million in one-time federal ARPA funding was provided for grants to meat processors in 2021-22 through the Meat and Poultry Supply Chain Resiliency grant program. The bill would provide \$1,000,000 each year in ongoing funding for the program.

*Dairy Processor Grant Program.* Provide an additional \$800,000 each year of the 2023-25 biennium for grants to dairy processors to fund projects intended to grow processing plants, contribute to processor innovation, or improve production and profitability of processing plants. 2021 Act 58 provided \$200,000 each year in base funding and \$200,000 per year in one-time funding in the 2021-23 biennium for dairy processing grants. The bill would provide a total of \$1,000,000 each year in ongoing funding for dairy processor grants.

*Value-Added Agriculture Program.* Allocate \$400,000 in each year of the 2023-25 biennium for the value-added agriculture program. Allow DATCP to provide education, technical assistance, and grants related to the promotion and implementation of agricultural practices that produce value-added agriculture products. Specify that activities include: (a) providing assistance related to organic farming practices, including business and market development assistance; (b) collaborating with organic producers and industry participants; and (c) providing grants to organic producers and industry participants for education or technical assistance related to organic farming, creating organic farming plans, assisting farmers in the transition to organic farming, or educating and training farmers on best practices related to grazing; and (d) general market promotion of value-added agricultural products, including those produced using resource-conserving practices. (The bill as introduced omits a definition for resource-conserving practices. An amendment would be required to reflect the bill's intent.)

*Buy Local, Buy Wisconsin.* Maintain base funding of \$200,000 each year of the 2023-25 biennium for Buy Local, Buy Wisconsin grants. Grants may be provided for projects that create, expand, diversify, or promote: (a) local food marketing systems and market outlets; (b) local food and cultural tourism routes; or (c) production, processing, marketing, and distribution of Wisconsin food products for sale to local purchasers. Projects have included food processing and distribution improvements, creating and expanding farmers' markets, agritourism projects, and marketing and awareness campaigns.

*Farm-to-Fork Grant Program.* Allocate \$200,000 in each year of the 2023-25 biennium for the farm-to-fork grant program. Define a farm-to-fork program as one that: (a) connects entities



that have cafeterias, other than school districts, to nearby farms to provide locally produced fresh fruit, vegetables, dairy products, and other nutritious, locally produced foods; (b) develops healthy eating habits in the general public; (c) provides nutritional and agricultural education; and (d) improves farmers' incomes and direct access to markets.

Allow DATCP to award grants to businesses, universities, hospitals, and other entities to create and expand farm-to-fork programs. Specify that grants may support projects that include: (a) creating, expanding, diversifying, or promoting production, processing, marketing, and distribution of food produced in Wisconsin for sale to entities in Wisconsin other than schools; (b) construction or improvement of facilities, including purchases of equipment, intended to support consumption of food produced in Wisconsin in entities other than schools; (c) training for food service personnel, farmers, and distributors; and (d) nutritional and agricultural education. Require DATCP to consult with interested persons to establish grant priorities each year and specify that DATCP give preference to proposals that are innovative or provide models other entities may adopt. Require DATCP to promote agricultural development and farm profitability in awarding farm-to-fork grants by supporting the development and adoption of practices and agribusiness opportunities that involve the production of value-added agricultural products. Require a report at least once a year to the DATCP Secretary and appropriate standing committees of the Legislature on the need and opportunity for farm-to-fork programs. Authorize DATCP to promulgate rules to administer the farm-to-fork program.

Define a value-added agricultural product as a product that: (a) has undergone a change in physical state; (b) is produced in a manner that enhances its value; (c) is physically segregated in a manner that enhances its value; (d) is a source of farm-based or ranch-based renewable energy; or (e) is aggregated and marketed as a locally produced farm product. Allow the Department to promulgate rules to administer the value-added agriculture program.

*Something Special from Wisconsin.* Increase funding for the Something Special from Wisconsin program by providing \$200,000 GPR in one-time funding each year of the 2023-25 biennium to support program marketing efforts. Under current law, DATCP offers a marketing program for participants that sell products whose value is at least 50% attributable to Wisconsin ingredients, production, or processing activities. Participants that certify their Wisconsin-made status may affix the Something Special from Wisconsin logo on their products. The program is typically PR-funded, and the Administration intends for GPR-supported grants to increase overall program participation and program revenues long-term. If DATCP is unable to use GPR funding for grants, the intended allocation could support other programs within the agricultural assistance grant and loan appropriation.

*Farm Business Consultant Grant Program.* Allocate \$100,000 in each year of the 2023-25 biennium for grants to county agriculture agents of the University of Wisconsin-Madison Division of Extension to help farm operators hire business consultants and attorneys to examine farmers' business plans and create farm succession plans. Authorize DATCP to promulgate rules to administer the farm business consultant grant program.

**Joint Finance/Legislature:** Modify provision to provide an additional \$1,600,000 for grants to meat processing facilities in 2023-24. Total funding for meat processing grants is

\$1,800,000 in 2023-24 and \$200,000 in 2024-25. Provide an additional \$300,000 each year in the 2023-25 biennium for grants to dairy processors on a one-time basis. Funding for the program is \$500,000 each year. Buy Local, Buy Wisconsin grants continue with base funding of \$200,000 each year. Separate appropriations continue for each of the meat processing facility, dairy processing plant and Buy Local, Buy Wisconsin grant programs. The table below summarizes program allocations under Act 19.

**Agricultural Assistance Grants -- Act 19**

	<u>Base</u>	<u>Governor</u>		<u>Act 19</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
Food Security Grant Program		\$15,000,000	\$15,000,000		
Meat Processor Grant Program	\$200,000	1,000,000	1,000,000	\$1,800,000	\$200,000
Dairy Processor Grant Program	200,000	1,000,000	1,000,000	500,000	500,000
Value-Added Agriculture Program		400,000	400,000		
Buy Local, Buy Wisconsin	200,000	200,000	200,000	200,000	200,000
Farm-to-Fork Grant Program		200,000	200,000		
Something Special from Wisconsin		200,000	200,000		
Farm Business Consultant Grants		<u>100,000</u>	<u>100,000</u>		
Total	<u>\$600,000</u>	<u>\$18,100,000</u>	<u>\$18,100,000</u>	<u>\$2,500,000</u>	<u>\$900,000</u>
Act 19 Change to Governor				-15,600,000	-17,200,000

**2. TRIBAL FOOD SECURITY PROGRAM [LFB Paper 175]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
PR	\$4,000,000	-\$1,000,000	\$3,000,000

**Governor:** Provide \$2,000,000 tribal gaming PR annually for grants to nonprofit food assistance organizations that purchase and distribute food to tribal elders and to entities supporting the growth and operation of participating food producers. Specify that grant recipients should give preference to Indigenous-based food producers and local food producers when purchasing food for distribution. Provide DATCP with rule-making authority to implement the program. The program would provide ongoing state funding for the Tribal Elder Food Box program, which began in 2021 with funding from the Feeding Wisconsin association of food banks and USDA.

**Joint Finance/Legislature:** Modify provision to provide \$1,500,000 tribal gaming PR annually and specify funding be provided on a one-time basis during the 2023-25 biennium.

[Act 19 Sections: 53, 145, and 385]

**3. WISCONSIN AGRICULTURAL EXPORT PROMOTION [LFB Paper 179]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$2,883,200	-\$883,200	\$2,000,000

**Governor:** Eliminate the \$1,000,000-per-year statutory spending cap and provide \$1,883,200 in 2023-24 and \$1,000,000 in 2024-25 to DATCP's International Agribusiness Center to support agricultural export promotion through the Wisconsin Initiative for Agricultural Exports (WIAE).

2021 Wisconsin Act 92 established the WIAE and requires DATCP, in collaboration with the Wisconsin Economic Development Corporation (WEDC), to seek to increase Wisconsin agricultural exports to 25% more than their December 31, 2021, amount by June 30, 2026, for the following: (a) milk and dairy products; (b) meat, poultry, and fish products; and (c) crops and crop products. Of the amounts appropriated for the program, \$2,500,000 (50%) must be expended for milk and dairy products, \$1,250,000 (25%) must be expended for meat, poultry, and fish products, and \$1,250,000 (25%) must be expended for crops and crop products. Act 92 specifies DATCP may not expend more than \$1,000,000 per year under the program.

2021 Act 58 created a GPR continuing appropriation to DATCP and set aside \$558,400 GPR each year of the 2021-23 biennium in the Joint Committee on Finance's supplemental appropriation to support the WIAE program. Subsequent action by the Committee approved transfers of \$558,400 in each of February and August, 2022, to the agricultural exports appropriation. Additionally, 2021 Wisconsin Act 207 provided DATCP the ability to use available PR balances of an inactive rural development program for the purposes of promoting dairy exports under WIAE. A total of \$441,600 each year in the 2021-23 biennium was allocable to WIAE from this source, resulting in total funding of \$1,000,000 each year. Funding in the 2021-23 biennium supported export expansion grants, international market access grants, and various trade promotion activities.

The bill would eliminate the \$1,000,000-per-year cap on program expenditures and allocate additional funds to WIAE surpassing the \$1,000,000 per year established by 2021 Act 92. The proposal would result in total funding for the biennium of \$2,883,200, including ongoing funding of \$1,000,000 in 2024-25.

**Joint Finance/Legislature:** Modify provision to provide \$1,000,000 GPR annually for WIAE, and retain the annual spending cap.

**4. MEAT TALENT DEVELOPMENT GRANT PROGRAM [LFB Paper 180]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$1,237,500	-\$1,237,500	\$0

**Governor:** Provide \$1,237,000 beginning in 2024-25 for tuition assistance grants to individuals pursuing meat processing programming at any higher education institution in Wisconsin. Tuition reimbursement grants would cover up to 80% of the first \$9,375 in tuition costs, or \$7,500 per grant. In addition, authorize grants to support curriculum development for meat processing programs.

The program would provide ongoing state funding for the Meat Talent Development program, which was begun in 2022 with federal ARPA funding. The Governor has allocated up to \$5 million for the program. Funding through 2022 has supported: (a) training in establishing operational plans for hazardous food processing; (b) development for meat processing education through high school agricultural education programs; (c) training in humane handling; (d) introductory courses for high school and post-secondary students considering careers in meat processing; and (e) tuition reimbursement for certain courses.

**Joint Finance/Legislature:** Provision not included.

**5. REGIONAL FARMER SUPPORT**

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
GPR	\$352,600	2.00	-\$352,600	- 2.00	\$0	0.00

**Governor:** Provide \$157,400 in 2023-24 and \$195,200 in 2024-25 with 2.0 positions in the Division of Agricultural Development's general program operations appropriation to expand access to Wisconsin Farm Center services in the northwest and northeast regions of the state. The Farm Center currently operates out of the Department's Madison office, and maintains a hotline that farmers may call for information, referrals, and support responding to crises. Farm Center services include technical assistance related to production, processing and marketing, as well as financial consultations, farm succession planning, mental health support and referrals, minority and veterans outreach, and mediation and arbitration.

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

**6. FARMER MENTAL HEALTH ASSISTANCE [LFB Paper 181]**

GPR	\$200,000
-----	-----------

**Governor:** Provide \$100,000 annually as ongoing funding for farmer mental health assistance programming. Under 2019 Act 9 and 2021 Act 58, DATCP has been provided \$100,000 each year since 2019-20 in one-time funding for farmer mental health assistance to support: (a) a 24-hour helpline for providing immediate support; (b) tele-counseling sessions that can be administered online by a licensed mental health professional; and (c) counseling vouchers that farmers and their family members can redeem for free in-person care at participating mental health providers in their area. In addition to counseling services, funding supported: (a) free virtual courses for agricultural service providers such as lenders and agribusiness firms in understanding

and managing the stresses of farming; (b) online farmer and farm couple support groups for bringing farmers together to discuss their shared challenges; and (c) a podcast on farm-related challenges.

**Joint Finance/Legislature:** Modify provision to specify that funding is provided on a one-time basis in the 2023-25 biennium.

**7. AGRICULTURAL ECONOMIST**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	\$167,500	1.00	-\$167,500	- 1.00	\$0	0.00

**Governor:** Provide \$74,300 in 2023-24 and \$93,200 in 2024-25 with 1.0 position for an agricultural economist. The position would be funded from Division of Management Services general program operations. Currently, DATCP does not employ an agricultural economist.

**Joint Finance/Legislature:** Provision not included.

**8. FOOD WASTE REDUCTION GRANTS**

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

**Governor:** Create an annual appropriation and provide \$100,000 annually for food waste reduction grants. Require the Department to provide grants for projects that seek to reduce or compost food waste, or to redirect food supplies to hunger relief organizations. Require DATCP give preference to proposals serving census tracts with household income below the state median (currently estimated at \$67,100) and lacking a grocery store. Require the Department to promulgate rules to administer the program.

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

**9. COUNTY FAIR AIDS**

GPR	\$387,200
-----	-----------

**Joint Finance/Legislature:** Provide an additional \$193,600 for aids to county and district fairs each year. Total funding for the program is \$650,000 annually under Act 19. Section 93.23 of the statues requires DATCP to provide fair aids to counties and certain organized agricultural societies, associations, and boards in the state in an amount equal to 95% of the first \$8,000 paid in net premiums and 70% of all net premiums that exceed \$8,000, up to a maximum amount of

\$10,000 per fair. If premium reimbursement requests exceed available funding, the Department must prorate the amount of aids provided to each fair.

**10. AGRICULTURE IN THE CLASSROOM**

SEG	\$100,000
-----	-----------

**Joint Finance/Legislature:** Provide an additional \$50,000 annually from the segregated agrichemical management fund for the Agriculture in the Classroom grant. Total funding for the grant is \$143,900 annually under Act 19. Annual grants are made to the Wisconsin Farm Bureau Federation for administration of the program.

**Environment**

**1. COUNTY CONSERVATION STAFF AND PROGRAM EXPANSION [LFB Paper 185]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$5,737,600	- \$4,321,400	\$1,416,200
SEG	<u>7,134,200</u>	<u>- 4,301,900</u>	<u>2,832,300</u>
Total	\$12,871,800	- \$8,623,300	\$4,248,500

**Governor:** Provide \$3,369,100 in 2023-24 and \$3,765,100 in 2024-25 from nonpoint SEG and \$2,766,800 GPR in 2023-24 and \$2,970,800 GPR in 2024-25 for additional grants to counties to support land and water conservation staff that perform work related to achieving state goals for soil conservation and water quality. The bill would provide a total of \$15,100,000 in 2023-24 and \$15,700,000 in 2024-25 for county staffing grants, as shown in the table.

## County Conservation Staffing Funding

Fiscal Year	GPR		Nonpoint SEG		Annual Total
	Base	Additional	Base	Additional	
2020	\$3,027,200		\$5,936,900	\$475,000	\$9,439,100
2021	3,027,200		5,936,900	475,000	9,439,100
2022	3,027,200	\$688,600	5,936,900	1,377,300	11,030,000
2023	3,027,200	772,000	5,936,900	1,543,900	11,280,000
2024	3,027,200	2,766,800	5,936,900	3,369,100	15,100,000
2025	3,027,200	2,970,800	5,936,900	3,765,100	15,700,000

Note: Additional amounts shown in the 2019-21 and 2021-23 biennia were one-time funding amounts. Additional amounts in the 2023-25 biennium would increase base funding.

Under current law, county conservation staff activities eligible for funding include: (a) implementation of land and water resource management plans, which are required of every county by statute to identify local objectives for soil and water conservation; (b) conservation practice engineering, design, and installation; (c) cost-share grant administration; (d) farmland preservation program administration; and (e) livestock regulation. The bill would expand this list to include staff administering or implementing long-range planning and erosion control mitigation.

Grants are awarded in a tiered process, providing each county full funding for its first position, 70% funding for its second position, and 50% funding for subsequent positions as available funds allow. In the 2023 allocation, first and second positions at each county were funded at 100% and 70% respectively, and 5% of costs on average associated with third positions were funded. Under the 2023 allocation, fully funding the state share of first, second, and third positions would have cost approximately \$13.5 million.

Current law requires DNR and DATCP to attempt to provide an average of \$100,000 to each county for staffing grants. The bill provides that if any funding remains after meeting current statutory goals, DATCP and DNR may assist counties in meeting their funding goals for second or third positions by providing grants to lower match requirements and increasing the state share. Grants may also be awarded to counties for fourth or subsequent positions. The Administration indicates such allocations would be determined by DATCP as part of the joint allocation plan allocating state aids for nonpoint pollution abatement and land conservation programs.

**Joint Finance/Legislature:** Modify provision to provide \$1,332,100 nonpoint SEG and \$666,100 GPR in 2023-24 and \$1,500,200 nonpoint SEG and \$750,100 GPR in 2024-25 on a one-time basis for county conservation grants. Total funding for the program is \$10,962,300 in 2023-24 and \$11,214,400 in 2024-25, as shown in the table. No changes are included regarding uses of grant funds.

## County Conservation Staffing Funding -- Act 19

Fiscal Year	GPR		Nonpoint SEG		Annual Total
	Base	One-Time	Base	One-Time	
2020	\$3,027,200		\$5,936,900	\$475,000	\$9,439,100
2021	3,027,200		5,936,900	475,000	9,439,100
2022	3,027,200	\$688,600	5,936,900	1,377,300	11,030,000
2023	3,027,200	772,000	5,936,900	1,543,900	11,280,000
2024	3,027,200	666,100	5,936,900	1,332,100	10,962,300
2025	3,027,200	750,100	5,936,900	1,500,200	11,214,400

### 2. NITROGEN OPTIMIZATION PILOT PROGRAM [LFB Paper 186]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$4,800,000	-\$1,200,000	\$3,600,000

**Governor:** Provide \$2,400,000 nonpoint SEG in ongoing funding in each year of the 2023-25 biennium for nitrogen optimization and cover crop insurance rebate programs funded initially in 2022-23. 2021 Wisconsin Act 223 established a commercial nitrogen optimization pilot program and a cover crop insurance rebate program administered by DATCP to implement strategies that optimize the application of commercial nitrogen and to encourage broader use of cover crops to benefit Wisconsin soils, surface water, and groundwater. The act did not appropriate funding, but the Joint Committee on Finance approved supplemental funding of \$2,400,000 nonpoint SEG in 2022-23 for DATCP to begin implementing the programs. Application periods for 2022-23 funding for each program closed January 31, 2023. Funding under the bill would support \$1,600,000 for the commercial nitrogen optimization pilot program and \$800,000 for the cover crop insurance premium rebate program annually.

**Joint Finance/Legislature:** Modify provision to provide \$1,000,000 nonpoint SEG annually on a one-time basis for the nitrogen optimization pilot program and \$800,000 nonpoint SEG annually on a one-time basis for the cover crop insurance premium rebate program.

### 3. PRODUCER-LED WATERSHED PROTECTION GRANTS [LFB Paper 186]

SEG	\$500,000
-----	-----------

**Governor:** Increase funding for producer-led watershed protection grants by an additional \$250,000 nonpoint SEG annually. Under 2021 Act 58, the statutory cap on annual producer-led watershed protection grant awards was increased from \$750,000 to \$1,000,000 and an additional \$250,000 nonpoint SEG each year was appropriated on a one-time basis during the 2021-23 biennium to provide a total of \$1,000,000 in each year of the biennium. For 2023, DATCP has awarded 43 grants to producer-led watershed protection groups. Groups may receive grants for such activities as: (a) planning and shared learning programs; (b) surveying and identification of management practices and solutions; (c) increasing participation in conservation, including



through incentive payments; and (d) measurement and promotion of the benefits of conservation practices, including water and soil testing.

**Joint Finance/Legislature:** Adopt provision, but specify funding is on a one-time basis in the 2023-25 biennium.

**4. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY [LFB Paper 187]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
BR	\$7,000,000	-\$7,000,000	\$0
GPR	\$0	\$7,000,000	\$7,000,000

**Governor:** Provide \$7 million in additional 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.

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

**Joint Finance/Legislature:** Modify provision to provide \$7,000,000 GPR in 2023-24 in an existing continuing appropriation to support cost-sharing grants to landowners for installation of structural practices.

**5. SOIL AND WATER RESOURCE MANAGEMENT AIDS [LFB Paper 187]**

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

**Governor:** Provide an additional \$100,000 nonpoint SEG annually for soil and water resource management noncapital projects. Funding would be used for nonstructural costs largely related to agricultural best management practices. Allocations would be determined by DATCP and DNR in the annual joint allocation plan.

**Joint Finance/Legislature:** Provision not included.

**6. WATER STEWARDSHIP CERTIFICATION GRANTS**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$500,000	- \$500,000	\$0

**Governor:** Create a continuing appropriation with \$250,000 each year for grants to agricultural producers to reimburse payments made to the Alliance for Water Stewardship (AWS) to receive certification of water stewardship. Specify that grants awarded for water stewardship certification may not cover implementation costs necessary to meet the certification standard. The Alliance for Water Stewardship (AWS) is an independent nonprofit organization created by various national and international nonprofit conservation organizations and international governing bodies. AWS certification provides a detailed framework for program participants to engage in water stewardship projects.

**Joint Finance/Legislature:** Provision not included.

**7. CLEAN SWEEP GRANTS [LFB Paper 188]**

SEG	\$500,000
-----	-----------

**Governor/Legislature:** Provide an additional \$250,000 annually from the environmental management account of the segregated environmental fund for clean sweep grants. Clean sweep grants are provided to counties and municipalities for the collection and disposal of pesticides, farm chemicals, unwanted prescription drugs, and hazardous wastes. Funding for clean sweep grants in the 2021-23 biennium is \$750,000 annually from environmental management SEG. Base funding for the program is \$1,000,000 under Act 19.

**8. BIODIGESTER PLANNING GRANTS [LFB Paper 189]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
SEG	\$500,000	- \$500,000	\$0

**Governor:** Provide \$250,000 environmental management SEG annually for grants to support planning for installation of regional biodigesters. Require the Department to promulgate rules to administer the grant program.

**Joint Finance/Legislature:** Provision not included.

**9. BIODIGESTER OPERATOR CERTIFICATION GRANTS [LFB Paper 189]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$100,000	-\$100,000	\$0

**Governor:** Provide \$50,000 annually for grants to individuals pursuing biodigester operator certifications. Require the Department to promulgate rules to administer the grant program. The Administration intends to use programming and certification provided by the American Biogas Council, which in recent years has conducted courses for participants at UW-Oshkosh.

**Joint Finance/Legislature:** Provision not included.

**10. FARMLAND PRESERVATION PLANNING GRANTS**

**Governor:** Expand the working lands fund SEG appropriation for farmland preservation planning grants to counties to also support activities associated with implementing county farmland preservation plans. Implementation activities are intended to include those that facilitate designation of agricultural enterprise areas and increase use of farmland preservation agreements. Specify that grants be provided on a reimbursement basis and that DATCP detail eligible costs through a contract with the grant recipient.

As of June 30, 2022, the working lands fund had a balance of \$99,000. The SEG appropriation affected by the provision has never been authorized funding. The provisions would not make a similar modification to the GPR farmland preservation planning grant appropriation that has base funding of \$210,000 annually; an amendment would be required to accomplish such a measure.

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

**Regulatory Programs**

**1. MEAT INSPECTION PROGRAM STAFF [LFB Paper 195]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$953,800	\$126,400	\$1,080,200

**Governor:** Convert 2.0 GPR and 2.0 FED project positions provided by 2021 Act 58, and

scheduled to expire June 30, 2025, to permanent positions. The provision would reallocate \$88,300 annually within the state budget system for each fund source from project position salaries to permanent position salaries, but no additional funding for positions would be provided.

Additionally, provide \$476,900 GPR in each year of the 2023-25 biennium to match FED expenditures for inspection and sampling at meat processors. DATCP's meat safety program conducts inspection of animal and poultry slaughtering and processing in establishments not otherwise inspected by USDA. State-inspected facilities are typically smaller operations. The state-funded portion of the inspection program is supported by GPR, and USDA provides matching FED on a dollar-for-dollar basis. State inspection programs by law must enforce standards that are "at least equal to" federal food-safety standards, including having sufficient levels of staffing to meet required inspections of processing establishments.

**Joint Finance/Legislature:** Modify provision to provide an additional \$538,800 GPR in 2023-24 and \$541,400 GPR in 2024-25 to meet federal matching requirements for DATCP's meat inspection program on a one-time basis. This increases bill amounts by \$61,900 in 2023-24 and by \$64,500 in 2024-25. Maintain project positions set to expire June 30, 2025.

**2. ANIMAL DISEASE RESPONSE AND PREVENTION UNIT**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	\$1,070,500	6.00	-\$1,070,500	- 6.00	\$0	0.00

**Governor:** Provide \$528,300 in 2023-24 and \$542,200 in 2024-25 with 6.0 positions to create a Strategic Animal Disease Response and Prevention Unit within the Division of Animal Health general program operations appropriation. The unit would be responsible for planning measures to ensure a secure food supply and responding to livestock disease outbreaks.

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

**3. DOG FACILITY, RABIES CONTROL AND HUMANE OFFICER PROGRAM STAFFING [LFB Paper 196]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	\$320,800	1.00	-\$320,800	- 1.00	\$0	0.00
PR	<u>- 320,800</u>	<u>- 1.00</u>	<u>240,800</u>	<u>1.00</u>	<u>- 80,000</u>	<u>0.00</u>
Total	\$0	0.00	-\$80,000	0.00	- \$80,000	0.00

**Governor:** Transfer 1.0 humane officer position and \$160,400 from the Division of Animal Health dog licenses, rabies control, and related services PR appropriation to the Division of Animal

Health general program operations GPR appropriation. Funding to be transferred would include \$142,900 in salary and fringe benefits and \$17,500 for supplies and services each year.

The dog licenses, rabies control, and related services appropriation has carried an unsupported overdraft since 2018-19. As required by 2021 Act 58, DATCP in 2021-22 transferred \$450,000 from the Veterinary Examining Board PR appropriation to the dog licenses, rabies control, and related services appropriation to reduce the overdraft. As of June 30, 2022, the appropriation has an unsupported overdraft of \$70,200. The Administration intends for the position transfer to further reduce program expenditures while additional fee revenues anticipated over the next several years would be expected to eliminate the overdraft.

**Joint Finance/Legislature:** Maintain the 1.0 humane officer as PR-funded. Reduce supplies and services funding within the PR appropriation by \$40,000 annually. Expenditures for the appropriation are budgeted at \$464,600 in 2023-24 and \$464,200 in 2024-25.

#### 4. LIVESTOCK PREMISES REGISTRATION SUPPORT [LFB Paper 197]

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$140,000	- \$140,000	\$0
SEG	<u>0</u>	<u>140,000</u>	<u>140,000</u>
Total	\$140,000	\$0	\$140,000

**Governor:** Increase funding in the Division of Animal Health livestock premises registration appropriation by \$70,000 in each year of the 2023-25 biennium. Under current law, any person keeping livestock must register with DATCP the premises at which the animals are kept. Premises holding any of the following animals are required to register with DATCP: (a) bovine animals; (b) equine animals; (c) goats; (d) sheep; (e) swine; (f) poultry; (g) farm-raised deer or elk; (h) captive game birds, such as pheasant, quail or duck; (i) camelids, such as camels, llamas or alpacas; (j) ratites, such as ostrich or emu; and (k) fish. Additional funding would be used to support the administration of registration. Base funding for the program is \$350,000 GPR annually. The program is administered through a contract with the Wisconsin Livestock Identification Consortium. The bill would provide total base funding of \$437,500 for the program, including an increase of \$17,500 annually under a separate item for state operations adjustments.

**Joint Finance/Legislature:** Modify provision to provide \$70,000 annually from the segregated agrichemical management fund. Amend an existing ACM SEG appropriation for animal health inspection, testing, and enforcement to authorize expenditures for the livestock premises registration program. Funding for the program is \$420,000 annually under Act 19, including \$350,000 GPR and \$70,000 ACM SEG.

[Act 19 Section: 52]

## 5. REPEAL MINIMUM MARKUP FOR MOTOR VEHICLE FUEL

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

Wisconsin's average posted terminal gasoline price as of March 1, 2023, was \$2.80 per gallon. Adding 53.8¢ in state and federal gas taxes, fees, and estimated transportation costs, the markup under current law would be 31¢ per gallon above the initial invoice cost for sellers of gasoline. While this amount represents the presumed statutorily required price increase, fuel markups vary by seller. Changes in retail fuel prices, if any, following enactment of the provision would be subject to a variety of market and competitive factors, which are assumed to exert considerable influence on final retail prices independent of the statutory markup. Although the minimum markup is specified in statute, margins on fuel sales accrue to the benefit of the seller. The statutory markup is not a source of tax revenue to the state.

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

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

## 6. VEHICLE OWNERS CONSUMER PROTECTIONS

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
GPR	\$412,200	2.00	-\$412,200	- 2.00	\$0	0.00

**Governor:** Provide \$234,900 in 2023-24 and \$177,300 in 2024-25 with 2.0 positions for oversight of electric vehicle charging stations.

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

**7. MARIJUANA REGULATION**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
PR	\$467,500	3.00	-\$467,500	- 3.00	\$0	0.00

**Governor:** Create a program within the Division of Agricultural Resource Management to regulate the cultivation, processing, and testing of marijuana and tetrahydrocannabinols (THC) in Wisconsin. For these purposes, amend a program revenue continuing appropriation currently authorized for the regulation of industrial hemp to also expend all fees associated with administration of the marijuana program. Estimate the appropriation at \$208,900 in 2023-24 and \$258,600 in 2024-25 with 3.0 positions for administration of the program. Agency regulatory functions, taxation, changes to controlled substances laws, and other items related to marijuana legalization are discussed in greater detail under "Marijuana-Related Provisions."

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

**8. AGRICHEMICAL MANAGEMENT OPERATIONS [LFB**

SEG	\$104,000
-----	-----------

  
Paper 170]

**Governor/Legislature:** Provide \$52,000 annually from the segregated agrichemical management fund for general program operations in the Division of Agricultural Resource Management. Funding is intended to support the Division's share of additional expenditure authority for the DATCP Bureau of Laboratory Services. [See "Agriculture, Trade and Consumer Protection -- Departmentwide."]

**9. FOOD, LODGING AND RECREATION REGULATION [LFB**

PR	\$96,000
----	----------

  
Paper 170]

**Governor/Legislature:** Provide \$48,000 in each year of the biennium for additional expenditures associated with the Division of Food and Recreational Safety, consisting of \$24,000 each year for each of the food establishment and recreational facility establishment program areas. The Division of Food and Recreational Safety regulates and collects license and other fees associated with: (a) food production, processing, and distribution, including dairy farms, food warehouses, restaurants, and grocery stores; and (b) lodging and recreation facilities, including hotels, campgrounds, and swimming pools. Total budgeted amounts from fees for food, lodging, and recreation regulation are \$12.1 million in 2023-24 and \$11.8 million in 2024-25. Funding is intended to support the Division's share of additional expenditure authority for the DATCP Bureau of Laboratory Services. [See "Agriculture, Trade and Consumer Protection -- Departmentwide."]

## 10. BROADBAND CONSUMER PROTECTIONS

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
PR	\$165,300	1.00	-\$165,300	- 1.00	\$0	0.00

**Governor:** Provide a number of requirements for broadband service providers related to access for low-income subscribers, discrimination, advertising standards, adequacy of service, and interruption of service. Provide \$72,300 in 2023-24 and \$93,000 in 2024-25 with 1.0 position to the Bureau of Consumer Protection to support enforcement of this provision. Funding would be derived from fees imposed on telemarketers.

*Discrimination.* Prohibit a broadband service provider from denying access to broadband service based on the race or income of residents in a service area. Specify that it is a defense for claims of discrimination based on income if at least 30% households that have access to broadband in a provider's territory are low-income. The bill does not define "low-income," but would authorize DATCP to promulgate rules to implement non-discrimination requirements, and to define low-income households and align Department rules with rules set by the Federal Communications Commission (FCC). Allow the Department of Justice to represent DATCP in enforcement of this section and recover reasonable attorney fees if a court finds such discrimination. Further, allow an individual to bring suit against a provider for violation of this section, and recover reasonable attorney fees if a court finds such discrimination.

*Interruption of Service.* Require broadband service providers to repair outages of broadband service within 72 hours, except if such interruption is related to an emergency or system-wide outage. Require a provider to credit a customer for one day of service if a service interruption caused by the provider exceeds four hours in a given day. For service interruptions not caused by the provider, require a provider to credit a customer for each hour of interruption, if such interruption exceeds four hours in a day. Require providers to notify customers prior to entering into an agreement to provide service of their rights to refunds in the event of service interruption. Require providers to give notice of at least seven days for any scheduled maintenance that causes a slowdown or interruption of service. Require providers to give notice at least 10 days prior to disconnecting service, except if disconnected at the request of a customer.

*Adequacy of Service.* Authorize the Department to establish by rule minimum standards for broadband service. Require providers to disclose to potential customers any factors that cause service speed to vary, including the number of users and devices connected. Require providers to give notice of at least 10 days before any factor determining originally disclosed service speeds changes. Allow a customer to terminate service and receive a full refund if service does not meet standards established by the Department by rule within one month of notification of deficiency to the provider by the customer, beginning with contracts created, renewed, or modified after the effective date of the bill.

*Advertising and Rates.* Require providers to offer service consistent with advertisements and representations to customers. Require providers to disclose factors that may influence service



speed when advertising service speeds. Require providers to notify subscribers at least 30 days prior to increasing service rates.

*Rules and Penalties.* Authorize the Department to promulgate rules to administer this provision, including to align state programs with FCC rules. Impose a penalty of not more than \$1,000 per violation and not more than \$10,000 per occurrence for violations of this provision. Specify a failure to notify in writing more than one subscriber of a rate increase constitutes a violation. Allow DATCP or district attorneys to bring action to enforce this provision, and authorize the Department of Justice to act on behalf of DATCP in enforcing this section.

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

## 11. MANOOMIN (WILD RICE) TRUTH-IN-LABELING

**Governor:** Prohibit any producer from labeling wild rice as "traditionally harvested" unless the wild rice has been harvested using traditional methods as defined by American Indian tribes or bands. Authorize DATCP to promulgate rules creating a definition for traditional wild rice harvesting methods. Require DATCP to obtain advice and recommendations from the Great Lakes Inter-Tribal Council Inc. before promulgating the rule with a definition.

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

## 12. LANDLORD-TENANT PROTECTIONS

**Governor:** Modify provisions that require landlords, before entering into a rental agreement or accepting earnest money or a security deposit, to disclose to prospective tenants any building or housing code violation that represents a threat to the prospective tenant's health or safety, affects the dwelling unit and common spaces proposed to be rented, and that has not been corrected. Current law requires that: (a) such violations be a significant threat to the prospective tenant's health or safety; and (b) the landlord has actual knowledge of the violation. The bill would repeal the requirement that the landlord have actual knowledge of the violation and would repeal the condition that a violation be "significant" threat.

Repeal prohibitions on local units of government from enacting ordinances that: (a) limit the types of information a landlord may obtain to consider a tenant; (b) prohibit a landlord from showing or renting a premises to a new tenant during the tenancy of an existing tenant; (c) impose requirements on security deposits, earnest money, or inspections that are more stringent than current law; (d) limit a tenant's responsibility for damage, waste, or neglect related to the premises; (e) require a landlord to disclose any information to tenants beyond current federal or state requirements; (f) require a landlord to report information to the municipality beyond anything otherwise required of all real property owners; (g) impose certain requirements or fees related to inspection of a rental premises; and (h) impose fees for occupancy or transfer of tenancy. Further, repeal the current prohibition on local units of government from imposing moratoria on eviction

of commercial or residential tenants.

In addition, the bill would change the requirements for inspections of rental properties and would remove existing limitations on inspection fees charged by municipalities and counties. Specify that landlords must provide notice to tenants if a municipal inspector is to do an inspection. Provide that rental property inspection fees charged by a municipality or county are not subject to deductions from the municipal tax levy.

Repeal restrictions on municipal ordinances regarding rent abatement, such that rent abatement authorized by ordinance would not be limited to covering conditions that materially affect the health or safety of the tenant, or that substantially affect the use and occupancy of the premises.

**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)